NEWS DIGEST

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 27 April 7, 1934

MOVES TO PROTECT FARMERS CHICAGO MILK DEALERS WAR

Steps to prevent farmers from sharing the cost of the milk dealers' price war in Chicago were taken by the Agricultural Adjustment Administration as it moved along several lines to assure that the prices paid to farmers for their milk shall be maintained at the levels required by the Chicago milk license. Immediate arrangements are to be made whereby those farmers selling to distributors on credit would be protected under the terms of the Chicago license. Distributors will be required to execute bond under the terms of the license so that milk producers will be protected against loss that might result from the severe price-cutting by dealers in the Chicago sales area. In the event that bonds in the amount deemed sufficient by the market administrator can not be provided, a plan is under consideration whereby such distributors will be required to make weekly deposits of the amount due farmers for milk delivered on credit. Also negotiations were begun by the Agricultural Adjustment Administration with the Federal Trade Commission for an investigation of some of the alleged practices in the milk price war to determine whether such practices constitute an attempt to gain monopolistic control of the market. Complaints reaching the Administration allege certain specific practices which tend towards monopolistic domination of the market. Among the practices reported is the alleged purchase by distributing companies of contracts from retail outlets which have been supplied milk by competitors, thus tending to restrict the business of their competitors.

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CIGAR-LEAF TOBACCO AGREEMENT HEARING

A proposed marketing agreement which would provide substantially improved average prices for 18½ million pounds of stemming grades of cigar-leaf tobacco, will be considered at a public hearing in Washington, D. C. at the Mayflower Hotel, April 11. Under its terms four principal buyers of stemming grades would agree to purchase directly from growers or through cooperatives at least 18½ million pounds of such tobacco during the present marketing season, paying prices which over the season would average not less than 6 cents per pound for unsweated tobacco purchased directly from growers, or 6½ cents per pound for that bought through growers' cooperatives. Contracting buyers would also agree to pay average prices of not less than 8½ cents per pound for sweated stemming tobacco, whether purchased from individual producers or through cooperatives. The grades of tobacco covered by the proposed agreement are used in the manufacture of scrap chewing and smoking tobacco, and are grown by producers in Wisconsin, Minnesota, Ohio, Pennsylvania, Massachusetts, and Connecticut. The minimum amount which would be taken by the contracting firms is about 15 percent more than the quantity of these grades produced in the 1933 crop. Prices for the stemming grades have been relatively lower than prices for other grades of cigar-leaf tobacco. The average price during the 1932-33 season ranged between 2½ to 5 cents per pound.

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ORDERLY LIQUIDATION FOR COTTON POOL

The cotton producers' pool of the Agricultural Adjustment Administration intends to conduct its liquiquidations in an orderly way, it was announced by the pool manager. The pool began disposing of futures contracts on December 22, 1933, with the market at 10.07. That it has disposed of these futures without disturbing the market is evident from the fact that since the pool has been liquidating, the market has steadily improved. The highest number of cotton futures held at one time was 965,900 bales. This has been reduced to 104,000 bales held against approximately 12,000 option contracts in the hands of producers . The futures cotton will probably be liquidated between now and May 1, 1934, unless in the meanwhile the market should go to 12½ cents, or better, in which event the option contracts will be closed out and the futures disposed of. When the pool was established, a total of 1,950,000 bales of actual cotton was acquired and delivered to the pool by the Secretary of Agriculture. Under the provisions of the pool agreement this cotton cannot be sold at less than 15 cents per pound, basis middling 7/8 inch, until after July 31, 1934, after which time it may be sold at the discretion of the pool manager with the approval of the Secretary. When this cotton is marketed it will be sold in an orderly fashion in accordance with sound business judgment and with a view to avoiding competition with normal trade channels.

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NAME AREAS EXEMPT FROM MINIMUM WHEAT PLANTINGS

Designation of 85 counties in 7 States ,as areas in which the minimum planting requirement of wheat adjustment agreements may be waived for this season because of extremely unfavorable planting conditions, has been made by the Agricultural Adjustment Administration. The waivers would apply to certain areas in counties of Colorado, Kansas, Texas, South Dakota, Montana, Idaho, and Oregon. The wheat agreement requires a minimum planting of 54 percent of the farmer's average past acreage. In these areas, where it is evident that planting a crop would be a waste of effort, the minimum requirement may be waived and producers may receive adjustment payments, subject to the terms of the waiver. In the following States counties have been designated as areas where the minimum planting requirement may be waived: Colorado--Adams, Arapahoe, Baca, Boulder, Cheyenne, Crowley, Douglas, Elbert, El Paso, Fremont, Huerfano, Jefferson, Kiowa, Kit Carson, Larimer, Las Animas, Lincoln, Logan, Morgan, Otero, Phillips, Prowers, Pueblo, Sedgwick, Washington, Woeld, Yuma. Idap--Blaine, Twin Falls. Kansas-Barber, Clark, Comanche, Edwards, Ford, Finney, Gove, Grant, Gray, Greeley, Hamilton, Haskell, Hodgeman, Learney, Kiowa, Lane, Logan, Meade, Norton, Ness, Pawnee, Pratt, Rush, Scott, Seward, Sheridan, Stafford, Stanton, tevens, Thomas, Wallace, Wichits, Montana--Valley. Oregon--Jefferson, South-Dakota-Armstrong, Beadle, Clark, Carson, Hand, Hughes, Kingsbury, Stanley, Haakon, Shannon-Washington, Lake-Miner, Bennet, Hyde, Sully, McPherson, Spink, Faulk, Brown. Texas--Castro.

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FOREIGN NATIONS CUT U. S. HOG IMPORTS

Restrictions by foreign countries on imports of American hog products, especially the recent action by the German Government in restricting substantially the imports of lard for 1934, tends further to establish the necessity of reducing hog production in the United States this year. Available figures indicate that lard imports to Germany during 1934 may not exceed 65 million pounds against 126 million taken in 1933. In the early post-war years, Germany purchased annually an average of approximately 250 million pounds of lard from the United States. In restricting imports of lard, the German government has for its purpose the encouragement of hog production among its own hog raisers so that the Nation may become more self-sufficient in agricultural commodities. The lard import restrictions also are related to the program of supporting the German dairy industry. In that country lard is used as a butter substitute more freely than in the United States. England also continues to limit the volume of imports of pork by means of periodical quotas. In 1933, United States exports of bacon, hams and shoulders to the United Kingdom were 56 percent under the 1926-30 average. Exports of American hog products to the United Kingdom in 1934 are not expected to increase materially. European countries producing hogs for export still are producing more hogs than the world market apparently can take at a price level profitable to the average hog producer. In the meantime the American Government is exploring all the practicable possibilities for expanding the market for hog products. This undertaking is complicated by the existence of numerous trade restrictions and by the tendency among a number of nations to become as agriculturally self-sufficient as possible.

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MUST SIGN CORN-HOG AGREEMENT FOR CORN LOANS

Only those farmers who have actually signed a corn-hog reduction agreement are now eligible for corn loans from the Commodity Credit Corporation which will be made up to May 1. In applying for a loan the applicant will be required to furnish a certified statement signed by the local corn-hog committee that the reduction agreement has been entered into and signed by him.

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DETROIT MILK LICENSE GOES INTO EFFECT

A license for milk distributors in the Detroit, Mich., sales area became effective April 1. It establishes prices to producers only and provides for three classes of milk. The price for Class I milk of 3.5 percent butterfat content is $2.02 per hundredweight, and is 17 cents more per hundredweight than producers received under a former marketing agreement and license. As a result, the returns to producers for Class I milk will be increased by about $1200 per day. The market will operate on a base and surplus plan.

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CITE ALLEGED VIOLATORS OF EVAPORATED MILK PACT

Orders to show cause for alleged violation of the marketing agreement for the evaporated milk industry have been issued to the United Dairy Co. of Barnesville, Ohio, and the Dairy Belt Milk Products Co. of Spencer, Wis. Both firms are given until April 10 to file answers. The two firms are signatory to the marketing agreement which seeks to increase returns to producers by governing market conditions and prices of evaporated milk purchased, sold, and shipped in interstate commerce.

CIGAR-LEAF PAYMENTS NEAR COMPLETION

Cigar-leaf tobacco growers who participated in the 1933 production adjustment program have received all but $400,000 of the approximately 2 million dollars being disbursed in payments provided for in the reduction agreements. Approximately 18,000 farmers participated in the program. Less than 4,000 growers have yet to receive their final 1933 payments which are based on the market value of that season's crop. Those farmers who have not sold their tobacco will receive payment on the basis of an appraisal of the value of their crop, provided application for appraisal is made before May 1. The cigar-leaf tobacco adjustment program will be continued in 1934 and the Secretary of Agriculture has already sent formal notice to producers that he intends to exercise the option under the 1933 adjustment agreement to continue the acreage reduction for the 1934 crop year. In the notice sent to producers it is pointed out that a supplemental payment varying in amount according to the producing district is now offered to those farmers who participated in the 1933 program and who now sign a rider to their agreements, provided they perform their obligations under the 1933 agreement and show that their tenants received a proper share of the 1933 payments. The rider provides that growers may elect to keep either one-third, one-half, or their entire base acreage out of production. Two additional choices in base acreage are also offered. Growers who are now under agreement, but who do not sign the rider, are required to maintain the 50 percent reduction made by them last season. For this they will receive adjustment payments at the same rates as those for last season. At the same time those cigar-leaf growers who did not take part in the 1933 program will be given an opportunity to sign an agreement to which the provisions contained in the rider are attached. These agreements cover the 1934 and 1935 seasons. Cigar-leaf tobacco is grown in the Miami Valley, Wisconsin-Minnesota, Pennsylvania-New York, and New England districts.

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EXPORT SURPLUS WHEAT FROM NORTHWEST

The North Pacific Emergency Export Association between the time it began operations on October 20, 1933, and April 2, purchased 23,543,000 bushels of wheat and sold for export 23,335,000 bushels of wheat or wheat as flour. Of the total sales approximately 14,500,000 bushels had been cleared for foreign shipment up to April 1. The balance will be shipped during April, May, and early June. Export sales have been made to approximately 40 foreign destinations. The export association was formed under the terms of the marketing agreement with Washington, Oregon, and Idaho wheat producers, handlers, millers, and exporters. Its purpose is to facilitate the export of from 30 to 35 million bushels of surplus wheat which threatened to depress Northwest and interior wheat prices. Under the terms of the agreement, wheat and wheat as flour is bought at domestic prices for export at world prices, the difference being made up to the exporters from funds set aside from the wheat processing tax. The differential payment which has been required to carry on the association's export sales has averaged approximately 23 cents per bushel, varying as world and domestic price relationships have changed from time to time.

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NEWS DIGEST

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 28 April 14, 1934

BEEF CATTLE PROGRAM CONFERENCE APRIL 26

A preliminary conference of representatives of the beef cattle industry and of the Agricultural Adjustment Administration will be held at Chicago, Ill., April 26, for the purpose of initiating action on a beef cattle production adjustment program under the terms of the amendment to the Agricultural Adjustment Act which made beef cattle a basic commodity. The Chicago conference is being called by the Administration to give all representatives of the industry an opportunity to analyze their difficulties and to help develop a practicable outline for prompt action. After a definite plan has been developed, there will be called a series of regional meetings at which the producers will have an opportunity to go over the details before it is decided finally whether to put the program into effect. As with other commodities, it is the desire of the Administration that the producers themselves be primarily active in formulating and administering any adjustment program adopted.

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NEW YORK POULTRY CODE APPROVED BY PRESIDENT

A code of fair competition for the live poultry industry of the metropolitan area of New York, designed to eliminate monopolistic trade practices which tend to increase prices to consumers and decrease returns to producers, was approved by the President. It will become effective April 23. The provisions of the code are significant to poultry producers over the entire country, as prices paid for poultry on the New York market have acted as a guide in all principal markets. The code specifies that a better system of daily market quotations, more accurately reflecting actual supply and demand conditions, shall be worked out for the industry. The code contains anti-racketeering provisions, which seek to prevent collection of unearned "fees", and the forcing of members of the industry to join or not to join any association through threats of violence or other means of coercion. Combinations to apportion territory of trade, or to allocate customers among certain firms, are declared unlawful, as are also unreasonable charges for rental of coops, trucking, loading and unloading of trucks and cars. It is specifically provided that these services may be performed by the shipper at his option. False advertising, sale of inedible products, secret rebates, over-feeding just before sale, and commercial bribery are also prohibited, as are price discrimination, offer of premiums, and misrepresentation of expected shipments. The code will be administered by a code supervisor, appointed by the Secretary of Agriculture and the Administrator of the National Recovery Act, who will be assisted by an industrial advisory committee elected by both commission merchants and slaughter house operators. The committee is directed to cooperate with the Bureau of Agricultural Economics in preparation of uniform standards, grades and terminology which may be adopted by the industry. The code Supervisor is instructed under the code to make a study of the cost of cooping, trucking, and unloading in connection with the handling of live poultry to determine schedules fair to producers and consumers.

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DAIRYMEN'S ATTENTION FOCUSED OF PROGRAM With the attention of dairy farmers focused upon the national program for meeting the situation in their industry through 15 regional meetings just completed, officials of the Agricultural Adjustment Administration are making a thorough study of the transcripts of the conferences to determine definitely the reaction of the industry to the proposed dairy adjustment program. Particular attention will be given to alternatives and changes in the Administration's proposal, suggested at the conferences. The study is expected to require about 10 days. Meanwhile, community or State meetings are being arranged at the suggestion of farmers in several sections who wish to learn more of the facts about the dairy situation and the possibilities of improving the position of the industry by action under the Agricultural Adjustment Act.

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1934 TOBACCO PAYMENTS MOVE TO GROWERS The movement of approximately $12,269,000 in first payments to an estimated 275,000 growers of all types of tobacco who are participating in the 1934 adjustment program, was initiated with the distribution of $764,431 in rental and price-equalizing payments to contracting producers of flue-cured tobacco. The payment was made on an approved block of 10,740 flue-cured agreements and by States are: Virginia, $101.753; North Carolina, $286,125; South Carolina, $121,539; Georgia, $213,703; and Florida, $41.309. Checks to cooperating tobacco growers are expected to be sent out at the rate of 5,000 to 10,000 a day until payments are completed.

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WHEAT FARMERS GET PARITY PRICES Farmers cooperating in the wheat program of the Agricultural Adjustment Administration are receiving a return that is within a few cents of the parity price for wheat on their farm allotments, computation of farm prices during the period of the wheat plan shows. Cooperating producers receive adjustment payments of 28 cents per bushel on their farm allotment on 54 percent of average base production. This is in addition to the farm price of wheat. Growers who do not cooperate in the wheat adjustment program have to depend on the market price alone. For the 1933 crop many farmers had much less than an average crop because of drought conditions. The payments of 28 cents per bushel to cooperating farmers have brought parity price to more than 54 percent of the wheat production. The adjustment payments are made from the funds derived from the processing tax. The rate of tax for 1934 is to be determined this summer before the beginning of the marketing year. The rate will depend upon the difference between the current average farm price and the parity price.

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FIRST CORN-HOG PACTS ARRIVE FOR PAYMENT

The first corn-hog production adjustment agreements to be submitted to the Agricultural Adjustment Administration for approval and issuance of benefit payment checks arrived from Marion County, Iowa. The bundle contained 195 agreements. It is expected that the peak of receipts of agreements will come during May. Machinery and personnel for approving the agreements and issuing the benefit payment checks are being organized and payment checks are expected to be written within about two weeks after the agreements start through the contract records section for approval and payment. The maximum daily capacity of the contract records section is about 45,000 checks per day.

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OLEO CODE HEARING SET FOR APRIL 19

A public hearing on a code of fair competition for the oleomargarine industry, proposed by the Oleomargarine Council, will be held April 19, Washington, D. C. The Agricultural Adjustment Administration points out that the oleomargarine industry does not offer a marketing agreement at this time or present any particular points of interest to producers in the proposed code. Trade practice provisions contained in the proposed code include open prices and prohibition of cash discounts and of selling oleomargarine with less than 80 percent fat content. The code would also prohibit sales by manufacturers below cost in accordance with a prescribed uniform accounting system for the industry to be set up by the code authority with the approval of the Secretary of Agriculture. Exceptions to this are made where manufacturers must meet competition of members of the industry who have lower costs. The proposed code sets up a code authority to consist of 10 members. Five would be selected by "Class A" manufacturers whose volume of production during the preceding year was more than 17 million pounds, and five members would be chosen by "Class B" manufacturers, or the balance of the trade. The Secretary of Agriculture and the Administrator of the National Recovery Act would name three additional members of the code authority, but they would not have any voting power.

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PROCESSING TAX COLLECTION COSTS

Administrative expenses for collection of more than 216 million dollars in processing and floor stock taxes through February 28, totalled $1,290,751, a report made by the Bureau of Internal Revenue to the Agricultural Adjustment Administration shows. Administrative costs were less than 60 cents for each $100 collected. The administrative costs included $110,622 expended for supplies and equipment. Expenditures for office machines and devices totalled $99,229; for furniture and fixtures, $11,392. These two items comprised about 9 percent of the total administrative cost. In the bureau at Washington, 197 employees were engaged on processing tax work as of March 31. In the field service, 511 permanent and 960 temporary employees were engaged in this work on February 28. The disbursements in field service salaries cover a period of eight months. For other allotments the period ranges from seven to seven and one-half months.

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SURVEY ON MILK USE AMONG CHILDREN

A survey of consumption of milk by school children in 50 selected cities of the country, in order to get more accurately than in the past, a picture of the extent to which the children of the country are receiving this essential food or failing to receive it, has been inaugurated by the Consumers' Counsel of the Agricultural Adjustment Admisintration. "Getting adequate supplies of milk to children is one way of restoring health to undernourished children and maintaining the health of the oncoming generations," the Consumers' Counsel said in explaining the objectives of the survey. "This is the responsibility of society as a whole rather than an obligation of the Nation's milk producers. For three years now dairymen have been producing milk at prices which have brought severe hardships to their families and farm businesses. Society as a whole must recognize this problem of providing adequate milk supplies to needy children. We want to find out the actual amount of milk consumption among children in the different classes in each commonity; what proportion of the family budget goes for milk; how much of the family's milk supplies come from relief agencies; and how much milk the children are getting in the form of butter, cheese and other manufactured milk products." Cities to be included in the survey are; Birmingham, Ala.; Globe, Ariz.; Little Rock, Ark.; San Francisco, Calif.; Pueblo, Colo.; Bridgeport, Conn.; Wilmington, Del.; Washington, D. C.; Tampa, Fla.; Atlanta, Ga.; Boise, Idaho; Chicago, Ill.; Gary, Ind.; Des Moines, Iowa; Wichita, Kans.; Louisville, Ky.; New Orleans, La.; Portland, Maine; Baltimore, Md.; Lawrence, Mass.; Pontiac, Mich.; Minneapolis, Minn.; Jackson, Miss.; Kansas City, Mo.; Butte, Mont.; Omaha, Nebr.; Carson City, Nev.; Manchester, N. H.; Paterson, N. J.; Albuquerque, N. M.; Oklahoma City, Okla.; Portland, Ore.; Pittsburgh, Pa.; Providence, R. I.; Charleston, S. C.; Sioux Falls, S. D.; Memphis, Tenn.; Dallas, Tex.; Salt Lake City, Itah; Burlington, Vt.; Richmond, Va.; Seattle, Wash.; Wheeling, W. Va.; Oshkosh, Wis.; Cheyenne, Wyo.

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MILK LICENSE FOR NEW ORLEANS SUSPENDED

The license governing the purchase and distribution of milk in the New Orleans, La., sales area will be suspended on April 14 until such time as greater unanimity among producer groups can be secured. The license became effective March 17, but differences of opinion concerning its provisions and operation resulted in its being suspended until they can be adjusted. The principal objections came from producer-distributors in New Orleans who handle 50 percent of the milk supply on the market and who objected to the equalization pool feature of the license. The license governed prices paid producers and established a low minimum resale price for sales to consumers.

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DISMISS CHARGES AGAINST LOS ANGELES MILK DEALERS

Charges against three milk distributors, of violating the milk license for the Los Angeles, Calif., sales area, were dismissed by order of Secretary of Agriculture upon proof that those firms had settled all out-standing required obligations in respect to payments under the license. The firms against whom the charges were withdrawn were the Pomona Valley Creamery Co., the California Dairies, and Wilson Dairy Co.

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BUTTER PURCHASES CUT STORAGE HOLDINGS

Butter purchases for relief purposes, soon to be completed by the Agricultural Adjustment Administration and the Federal Surplus Relief Corporation, are expected to represent 36 percent of the total net into-storage movement of butter for 1933. Federal butter purchases distributed in relief channels up to April 1 absorbed 70 percent of the increased storage movement of butter in 1933 over the into-storage movement in 1932. With the butter buying program for relief purposes by the Federal Government almost complete, total storage holdings of butter as of April 1, 1934, amounted to 15,352,000 pounds, which is only 863,000 pounds over the 5-year average for April 1, 1929-33, inclusive. The Government still has committments to buy 9,200,000 pounds of butter for relief purposes. When purchases are completed and the present holdings are distributed, a total of 60,730,000 pounds will have been accounted for through the program. The total into-storage movement of butter for 1933 is calculated to have been 165,789,000 pounds. In 1932 the total into-storage movement was 96,865,000 pounds. The dairy industry is approaching the flush season of production and the beginning of the into-storage period, which normally lasts through the summer and fall.

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COMPANY TO COMPLY WITH EVAPORATED MILK PACT

Proceedings recently instituted against the United Milk Products Co. of Cleveland, Ohio, for alleged breach of the terms and conditions of the marketing agreement for the evaporated milk industry, were dismissed in an order issued by the Agricultural Adjustment Administration. The company filed answer to the charges on March 22. The company understood it had a right to withdraw from the marketing agreement and file a notice of its intention to do so before the alleged breach of contract. Upon notice from the Secretary of Agriculture that the company did not have the right to withdraw, it thereupon signified its intention to comply with all the provisions of the agreement. The Secretary being fully satisfied of such compliance dismissed the proceedings.

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HEARING DATE ON MILK LICENSE FOR LOUISVILLE

A public hearing will be held April 18, at the Brown Hotel, Louisville, Ky., on a proposed license for the purchase and distribution of milk in that sales area. The proposed license contains a price to producers of $2 per 100 pounds of 4 percent milk in Class 1. For Class 2 milk the price to producers would be the average price of Chicago 92-score butter for the month plus 30 percent plus 20 cents per hundredweight. The base and surplus plan with an equalization pool would operate in the area.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 29 April 21, 1934

ADJUSTMENT PROGRAM DOUBLES TOBACCO INCOME

Farm income from tobacco grown in the United States during the 1933-34 marketing year will approximate 214 million dollars, an increase of 100 percent over the returns from sales of the previous season. Included in this estimate are payments amounting to 28 million dollars accruing to producers under tobacco adjustment agreements. Market receipts for the 1933-34 sales season are expected to total 186 million dollars as against 105 million dollars for the 1932-33 season. Prices per pound for all types of tobacco combined have averaged about 25 percent higher during the current season than during the previous one, despite the fact that the crop this year is about 200 million pounds, or 16 percent, above world consumption. The higher returns to producers have been made possible through prompt action of a large percentage of tobacco growers in agreeing to reduce 1934 production as much below the level of consumption as the crop marketed this year exceeds that level. Also, domestic manufacturers have entered into marketing agreements negotiated by the Agricultural Adjustment Administration, in which they have agreed to increase prices to producers. Growers of flue-cured tobacco have enjoyed the greatest increase in income. The 1933 crop brought growers about 112 million dollars, or two and one-half times the returns from the previous crop. In addition, over 100,000 growers will share in $8,600,000 rental, adjustment, and price-equalizing payments in return for participating in the program to curtail 1934 production. The income of Burley tobacco growers from market receipts is approximately 40 million dollars. Distribution of 15 million dollars in rental and adjustment payments to growers who have signed agreements to reduce 1934 production will begin within the next few weeks and will increase the total income by approximately 28 percent over that of last year. Market receipts from fire-cured and dark air-cured types are estimated at 14 million dollars and represents an increase of about 55 percent over 1932-33 returns. Rental and adjustment payments of approximately $1,600,000 will be distributed to growers of these types. Income from sales of Maryland tobacco will be increased by about 10 percent, to a total of $4,600,000 for the current season. To this income will be added approximately $70,000 in payments to growers for participating in adjustment plans. Cigar-leaf tobacco growers' incomes from tobacco sales during the 1933-34 season are estimated at $10,500,000 as compared with $8,193,000 during the previous season. In addition to the increased returns from the sale of the 1933 crop, contracting growers of cigar-leaf tobacco are receiving $2,500,000 in payments, of which over $1,634,818 has already been distributed.

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BEEF CATTLE MEETING OPEN TO PUBLIC

Several hundred representatives of the beef cattle industry are expected to attend the conference at Chicago, Ill., April 26, to discuss the present situation in the industry and possibilities of formulating a program for dealing with the beef cattle problem under the Agricultural Adjustment Act. The meeting will be open to any person interested in the industry.

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COOPERATING FARMERS GET 179 MILLION DOLLARS

Rental and benefit payments totaling $179,702,687 had been distributed up to April 1, to 1,862,532 farmers participating in the wheat, cotton, and tobacco adjustment programs of the Agricultural Adjustment Administration. These payments had been distributed as follows: $112,472,670 to 1,032,154 cotton farmers, $65,632,728 to 798,614 wheat growers, and $1,597,288 to 31,764 tobacco producers. Total payments by States are: Alabama, $9,609,747.21; Arizona, $282,033.56; Arkansas $10,829,626.36; California, $942,427.91; Colorado, $1,432,503.50; Connecticut, $198,619.24; Delaware, $75,801.00; Florida, $325,132.74; Georgia, $8,004,886.87; Idaho, $2,284,524.82; Illinois, $1,693,224.20; Indiana, $1,324,712.71; Iowa, $294,214.60; Kansas, $16,601,740.81; Kentucky, $215,625.29; Louisiana, $5,005,178.42; Maryland, $555,496.51; Massachusetts, $96,299.60; Michigan, $576,744.44; Minnesota, $1,282,587.76; Mississippi, $10,096,605.02; Missouri, $2,908,120.44; Montana, $3,680,986.92; Nebraska, $3,961,438.71; Nevada, $20,682.30; New Hampshire, $2,288.60; New Jersey, $8,020.41; New Mexico, $705,531,16; New York, $54,327.75; North Carolina, $2,861,937.35; North Dakota, $9,292,774.36; Ohio, $1,491,914.51; Oklahoma, $16,343,428.34; Oregon, $1,789,895.27; Pennsylvania, $628,079.16; South Carolina, $4,718,412.92; South Dakota, $3,425,677.42; Tennessee, $3,415,537.68; Texas, $46,987,825.96; Utah, $457,098.87; Vermont, $2,724.95; Virginia, $514,231.19; Washington, $3,916,921.24; West Virginia, $51,885.82; Wisconsin, $457,931.33; Wyoming, 1277,282.71.

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FIRST CORN-HOG CHECKS GO TO COUNTY IN IOWA

The movement of a maximum of 350 million dollars to farmers cooperating in the corn-hog adjustment program was inaugurated with first adjustment payments going to producers in Marion County, Iowa. A total of 188 checks for $35,585.20 were sent to producers in this county, the first from which signed agreements had been received by the Agricultural Adjustment Administration. The checks averaged about $200 each, with the largest approximating $600. The payments represent approximately two-fifths of the total hog adjustment payments and about one-half of the corn adjustment payments due these Marion County producers for their cooperation in the program. Since the arrival of the first lot of signed agreements from Iowa, agreements have been submitted to the Administration through state officials in De Daca County, N. Mex, and Scott County, Minn. The corn-hog campaign is practically completed in the corn-belt States, and in States where the campaign started late farmers are still signing agreements. Approximately 1,100,000 corn-hog adjustment agreements have been signed to date by producers.

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CALIFORNIA RICE CROP CUT MADE EFFECTIVE

The declaration of the California rice crop control board that a plan to curtail production in 1934 should be placed in operation under the provisions of the California rice marketing agreement entered into last fall by rice millers and rice growers' associations has been approved by the Secretary of Agriculture. Under the agreement, the board is required to make a survey of intentions to plant before each season, and if such intentions indicate that over 3 million bags would be produced, an acreage restriction plan may be declared in effect with the approval of the Secretary of Agriculture. The survey recently completed by the board indicates that the total capacity of rice production for the coming season is 4,404,000 bags, making a reduction by 1,404,000 bags necessary The amount of reduction required, will be prorated to producers on the basis of their average production during the base period, 1929-33, inclusive.

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MINIMUM PRICES FOR SHADE TOBACCO

A schedule of minimum sale prices for Connecticut Valley shade-grown tobacco which is expected to give growers returns approximating 90 percent of fair exchange value, or an increase of 25 percent over prices of last season, was approved by the Secretary of Agriculture. The price schedule will operate in connection with a marketing agreement and license under which handlers of this type of cigar tobacco are now operating. The minimum price schedule was formulated and submitted to the Secretary by the control committee in charge of supervision of the marketing agreement and license. The present fair exchange value for this type of tobacco is 87.78 cents per pound. The farm price for this type during the 1932-33 season was 59 cents per pound, or about 28 cents below present fair exchange value.

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DISTILLERS TERMINATE MARKETING AGREEMENT

Upon written request of contracting distillers representing more than 90 percent by volume of the production the Secretary of Agriculture terminated the marketing agreement with the distilled spirits industry as of April 18. At the same time he terminated the accompanying general license. At the time of the termination it was stated by the Distillers' Code Authority that it would support appropriate legislation which would more effectively provide for the promotion of the use of cereal grains in the distillation of alcoholic beverages and which would assure fair exchange prices to producers of agricultural products used by distillers.

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REVOKE LICENSE OF FRUIT COMPANY

The license of the Gem State Sales Company, Payette, Idaho, and Yakima, Wash., operating under a license for handlers of fresh deciduous tree fruits in the States of Washington, Oregon, Montana, and Idaho, was revoked by the Secretary of Agriculture. The revocation came as a result of findings by the Secretary that this firm had violated the license by sales of apples at prices below, and under conditions different from, those specified in the license.

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CITE ALLEGED VIOLATORS CHICAGO MILK LICENSE

Orders to show cause why their licenses to sell milk under the existing license for the Chicago milk sales area should not be revoked for alleged violations, have been sent to six alleged violators of the license by the Agricultural Adjustment Administration. All of the companies cited must return answers to the charges on or before April 30. The companies cited in the orders are: The Joseph Wagner Dairy Co., Cicero, Ill.; West Side Dairy Co., Chicago; White Eagle Dairy Co., Chicago; Midland Dairy Co., Chicago; Lemong Dairy Co., Chicago; and Red Top Milk Co., East Troy, Walworth county, Wis.

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BUTTERFIELD DAIRY ACTION DISMISSED

Proceedings against the Butterfield Dairy of Des Moines, Ia., on alleged violations of the existing license for milk in that area have been dismissed. It has been satisfactorily determined that the company is now complying with all of the provisions of the license and upon its declaration of intentions to continue to abide by the license the proceedings were dismissed.

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BEAN MARKETING AGREEMENT UNDER NATIONAL PLAN

Representatives of bean growers, dealers, and co-operative marketing association, in cooperation with the Agricultural Adjustment Administration, are developing a national plan for increasing returns to producers of dry edible beans through a series of regional marketing agreements. Under the proposed agreements, which would be entered into by shippers of beans, minimum prices to growers and to the bean trade would be established. The agreements would contain provisions for surplus control and would require grading, branding, and inspection of all beans shipped. Dry edible beans are produced in five major areas and separate regional agreements would be made effective for each. These agreements would be coordinated by a national board made up of representatives of the regional supervisory boards. The five areas which would have a regional agreement each under the national plan are: New York, the pinto bean area of New Mexico and Colorado, the Great Northern area of Idaho, Montana, and Wyoming; and California.

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COTTON OPTION CONTRACTS WILL EXPIRE MAY 1

Cotton farmers holding approximately 12,000 outstanding option contracts, issued in connection with the 1933 cotton adjustment program, are warned by the Agricultural Adjustment Administration that these options must be exercised, either directly or by placing the baleage represented in the cotton pool before May 1. If these outstanding options are not exercised or extended before the expiration date, holders stand to lose their share of the $1,560,000 of benefits involved. Approximately 78,000 bales of cotton are involved in the outstanding options, as compensation due these option holders from the 1933 cotton program. After May 1, if the options have not been exercised or extended before that date, the cotton options will be of no value. Producers who have mislaid the forms, C-5-B, for formal requests for extension of the option beyond the expiration date, should write to the Cotton Option Office, Department of Agriculture, Washington, D. C., stating that such forms have been lost, and requesting an extension. All letters requesting extension should include information as to the State and County in which the producer holds the option, and the serial number of the option contract.

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HEARING ON CHICAGO MILK LICENSE VIOLATIONS

A hearing at which three alleged violators of the existing license for the Chicago milk sales area will be required to show why their licenses should not be suspended or revoked, will be held April 24 in the United States Appraisers Court building, Chicago, Ill. Those who have been cited to appear at the hearing to answer the charges that they have purchased milk from producers at lower prices than those named in the license are Frank Smid, Kansasville, Racine County, Wis.; Joliet Dairy Products Company, Joliet, Ill.; and the Edgewater Dairy Company, Chicago, Ill.

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DISMISS ACTION AGAINST UNITED DAIRY COMPANY

An order to dismiss proceedings against the United Dairy Company of Chicago, Ill., for violation of the provision of the existing milk license for the Chicago sales are which provides for payments into the equilization pool and the checkoff for producers' market service charges, has been issued by the Secretary of Agriculture. Since the proceedings were instituted, the United Dairy Company made payment in full of the amounts due under the obligations of the license and the market administrator for the Chicago area requested that the case be dismissed.

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NEWS DIGEST

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 30 April 28, 1934

MOST WHEAT AGREEMENTS FROM NORTH DAKOTA

Of the total of 573,723 agreements signed by farmers in the initial wheat adjustment sign-up campaign, North Dakota led with 101,712 agreements. Kansas ranked second with 93,852 and South Dakota, third with 49,234 agreements. Agreements which are now being signed under the reopened program will add to the total of 573,723 already received. The wheat section will not have totals on the reopened campaign until after May 10, which is the deadline for the new signing. In some States the deadline has been set a few days earlier than this. Wheat adjustment payments to date total $66,232,457. The agreements received from the initial sign-up cover approximately 50 million acres and this acreage reduced by the required 15 percent will mean approximately 7,500,000 acres definitely kept from wheat production this year. Farmers in 1,758 counties are participating in the program. They are organized in approximately 1,400 county wheat production control associations through which they administer the wheat plan themselves and pay their own expenses. Although the minimum reduction which would be made under the wheat plan on the basis of the agreements signed in the initial campaign is estimated at 7,500,000 acres, this figure may be materially increased by the reopened sign-up and other factors in the program.

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HOG PRICES HIGHER THAN YEAR AGO

The price of hogs at Chicago has been higher every week since the processing tax went into effect than it was the corresponding week a year previous, figures released by the Agricultural Adjustment Administration show. In addition, a successively larger processing tax has been paid under the 1934 corn-hog adjustment program. Thus the increase in the value of hogs to the farmer has been much larger than indicated by the price alone. The increase in value per hundredweight of hogs to the farmer from week to week when both price and hog processing tax proceeds are included, has ranged from 30 to 76 percent over one year previous. Proceeds from the processing tax are used to make benefit payments to those farmers who cooperate in the hog adjustment program. The benefit payments are in addition to returns farmers receive from the sale of their hogs.

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DAIRY ADJUSTMENT PLAN LAID ASIDE FOR PRESENT

Because there was no evidence that a substantial majority of the industry would support and cooperate in the dairy production adjustment program discussed at 15 regional meetings, the Agricultural Adjustment Administration has decided not to undertake, at least for the present, a dairy production adjustment program involving benefit payments. This decision followed close study of the reports of the 15 regional conferences. In view of the statements made at these conferences, the position of the Agricultural Adjustment Administration can be defined on the following pounts: (1) The scope of assistance available to the dairy industry, at least for the present, is narrowed to include only reduction in number of diseased cattle and some dairy purchases for relief purposes. The Administration will undertake both these measures with such funds as are made available by Congress. Disease eradication is regarded by the Administration as an important social welfare and efficiency measure which, however, is of comparatively minor effectiveness in production control. (2) Any adjustment program that may be undertaken by the Administration must be for the dairy industry as a whole, must be voluntary, and must not discriminate between geoups of producers. (3) Under the law, processing taxes can not be levied unless and until a decision is made to pay benefit payments to individual farmers to compensate them for cooperation in production control as provided in all other agricultural adjustment programs. (4) Experience has shown that large-scale stabilization and price-fixing operations, when undertaken for temporary benefit and without support by adequate control over production, generally result in increasing production and end in a relapse in prices. Hence, such large-scale stabilization operations are not included in the Administration's plans. Government purchases will be primarily for relief needs, and will be confined to those requirements. The dairy control program proposed by the Administration was designed to be national in character, and of benefit both to fluid milk producers within the milk sheds and to farmers in the outside areas. In the Administration's opinion, lack of production control is likely to increase the pressure of outside milk on the city milk market, to decrease the effectiveness of city milk marketing agreements and licenses, and to increase the contribution of fluid milk sheds to supplies used for manufactured dairy products. The Administration will continue to employ milk marketing agreements and licenses, however, for the benefit of fluid milk producers. In view of nationwide interest in the dairy problem, the Agricultural Adjustment Administration will continue its efforts to supply dairymen with all available information concerning the situation confronting the industry, will carry on a survey looking toward increasing the consumption of milk, will expand its educational efforts on behalf of less intensive feeding methods, and will institute the disease eradication and relief purchase measures provided for by Congress.

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ESTIMATED INCOME TO MEET PROGRAM COSTS

Estimated total revenues to meet the cost of all production adjustment and surplus removal programs now in operation under the Agricultural Adjustment Administration will, when they are completed in 1936, exceed the estimated cost of these programs by $4,120,136, a report by the finance division indicates. Estimated revenue for the period of the various programs is placed at $1,007,722-850, with estimated expenditures of $1,003,602,714 for production adjustment programs.

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COTTON ALLOTMENTS UNDER BANKHEAD ACT

In accordance with the terms of the Bankhead Bill, signed April 21 by the President, the Agricultural Adjustment Administration has announced State allotments of the number of bales of cotton which producers in each State may grow and market tax free under the provisions of the new law. Only 10 million 500-pound bales may be harvested in the United States during the crop year 1934-35 and marketed exempt from the tax. The Bill further provides that no State which has produced as much as 250,000 bales in any year during the base period shall be given an allotment of less than 200,000 bales. This provision applies only to Missouri and California. The remaining 9,600,000 bales are allotted to the other cotton producing States on the basis of the percentage that the average production of each State for the five years, 1928-32 inclusive, bears to the total production of all States during that period. County allotments will be made by the cotton section of the Adjustment Administration by breaking down the State allotments on the basis of past production. The existing county production control associations will be utilized in making and adjusting individual allotments. Each producer who desires an allotment will make application therefor through his county association. Producers who have not signed production adjustment agreements will apply to the county committees and will receive allotments upon approximately the same basis as those who are participating in the adjustment program through his county control association. Under the Bankhead Act the Bureau of Internal Revenue will collect a tax of 50 percent of the market value of cotton for which no exemption certificate has been issued. Plans for distributing tax exemption certificates for identifying and tagging cotton already harvested are being developed. The State allotments in terms of 500-pounds net weight bales, follow: Virginia, 30,720; North Carolina, 507,840; South Carolina, 577,920; Georgia, 838,080; Florida, 24,000; Tennessee, 323,520; Alabama, 845,760; Mississippi, 1,052,160; Arkansas, 916,800; Louisiana, 503,040; Oklahoma, 748,800; Texas, 3,091,200; New Mexico, 60,480; Arizona, 72,960; California, 200,000; Missouri, 200,000; other States, 6,720.

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MORE COUNTIES MAY NOT PLANT WHEAT

An additional group of 73 counties in western wheat States, where planting conditions are extremely unfavorable because of drought or insect infestation, have been designated as ones in which the minimum planting requirement of the wheat reduction agreement may be waived without affecting the agreement. Previously 85 counties had been so designated, making the total to date 158. The States and counties designated are: Idaho- Butte, Custer. Montana- Gallatin, Madison, Jefferson, Beaverhead; Oregon- Creek. Texas- Dallam, Deaf Smith, Hartley, Hansford, M9ore, Oldham, Randall, Sherman, Potter. Kansas- Barton, Cheyenne, Cloud, Decatur, Ellis, Ellsworth, Graham, Harper, Harvey, Jewell, Kingman, Lincoln, McPherson, Mitchell, Norton, Osborne, Ottawa, Phillips, Rawlins, Reno, Republic, Rico, Rooks, Russell, Saline, Sedgwick, Sherman, Smith, Sumner, Trego. Oklahoma- Beaver, Cimaron, Ellis, Harper, Major, Roger Mills, Texas, Woods, Woodward. South Dakota- Perkins, Brule, Buffalo, Mellette, Todd, Potter, Lyman, Dewey, Codington, Hamlin, Jackson, Washabaugh, Tripp, Ziebach, Harding, Edmunds, Butte. Colorado- Moffat.

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FLUE-CURED GROWERS GET MORE CHECKS

A total of 46,379 checks, representing $2,626,522 in rental and price-equalizing payments, had been disbursed up to April 24, to growers participating in the 1934 flue-cured tobacco adjustment program. Of the total checks issued, 32,390, amounting to $1,359,975 were rental payments for acreage taken out of production, while 13,989 checks, totalling $1,266,546, were price-equalizing payments issued to contracting producers who sold their 1933 tobacco before the marked rise in prices. The payments were divided among States as follows: Florida, $23,682 in rental payments, and $41,111 in price-equalizing payments; Georgia, $187,460 in rental, and $458,689 in price-equalizing payments; North Carolina, $703,869 in rental, and $325,561 in price-equalizing payments; South Carolina, $181,888 in rental, and $441,022 in price-equalizing payments; and Virginia, $263,075 in rental, and $161 in price-equalizing payments. Over 86,200 of the more than 100,000 flue-cured tobacco adjustment agreements signed, together with 40,600 applications for price-equalizing payments, have been received in Washington for approval and payment. Growers participating in the 1934 flue-cured tobacco adjustment program will receive a total of approximately $17,000,000 in rental, adjustment, and price-equalizing payments. Of this amount more than $8,000,000 is being paid this spring.

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BURLEY TOBACCO GROWERS UNDER ADJUSTMENT PLAN

Approximately 95,000 agreements representing over 90 percent of the eligible farms have been signed by farmers in the Agricultural Adjustment Administration's Burley tobacco adjustment program. Distribution of signed agreements by States is approximately as follows: Kentucky, 49,000; Tennessee, 25,900; North Carolina, 3,500; Virginia, 5,000; West Virginia, 1,400; Ohio, 5,220; Indiana, 2,400; Missouri, 900. Over 3,000 of the Burley agreements have been received by the Administration and are now being examined for acceptance and approval for rental payments.

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LINSEED OIL INDUSTRY CODE APPROVED

A code of fair competition for the linseed oil manufacturing industry, for which flaxseed is the principal raw material, was signed by the President to become effective April 30. The code prohibits unfair competitive methods, provides for regulating mill capacity with expansion subject to the approval of the Secretary of Agriculture, provides for quarterly quotas on crushing, and gives to the Secretary of Agriculture and the National Recovery Act Administrator, the customary access to the books and records of members of the industry. The code is to be administered by a committee of the industry, supplemented by an advisory committee selected by the Secretary of Agriculture and representing the flaxseed producers in the principal growing regions. In general, the groups having a direct interest in the code are the producers of flaxseed, the manufacturers of linseed oil, and the consumers. The provisions for buying flaxseed on standard grades, and representation on the advisory committee, are the principal benefits to producers. The power of the Secretary to review all prices as well as the general administration of the code, gives protection to the consumer.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 31 May 5, 1934

OPTIONAL PLANTING RULE MAY ADD TO WHEAT CUT Possibility of a substantial acreage reduction in wheat for 1934 in addition to the 15 percent reduction made by cooperating farmers in conformance with adjustment agreements, is seen by the wheat section of the Agricultural Adjustment Administration following a wide extension of its ruling on optional planting to areas of extreme drought and insect infestation. Under the optional planting ruling, the wheat section has designated 352 counties in 11 States as areas in which individual farmers may request waivers of the minimum planting requirement under their agreements, and still be eligible for 1934 adjustment payments. Of these counties, 194 have been designated since April 20. More than 35 million acres, approximately 69 percent of the total acreage signed up in the initial wheat adjustment sign-up campaign, are located in these counties. The reduction of 15 percent on the farms under agreement in the country is estimated at more than 7,500,000 acres.

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MARYLAND GROWERS GET TOBACCO CHECKS The first of the rental payments to growers who have signed agreements to reduce their 1934 acreage and production of Maryland tobacco by 25 percent have been sent to growers. The initial block of checks, representing a total of $18,390, covered 379 agreements. The payments, which go to growers in southern Maryland where this type of tobacco is produced, are distributed by counties, as follows: Anne Arundel, $4,896; Calvert, $1,936; Charles, $2,530; Prince Georges, $4,466; and Saint Marys, $4,562. The adjustment agreement for Maryland tobacco was designed principally to reduce production of the lower grades of this type of tobacco, which make up the greatest portion of the existing surplus. A total of 564 agreements have been signed by growers.

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DETROIT MILK MARKET ASKS INDUSTRY BOARD The first request from a milk market under license to institute a milk industry board as a part of the system of existing milk licenses under the present policy of the Agricultural Adjustment Administration, has come from a number of representatives of the Detroit, Mich., milk sales area. Details of the organization of such an industry board are to be worked out at once in co-operation with members of the local industry, if it is found that the market generally desires the immediate establishment of such a board. The existing license for Detroit provides that the Secretary of Agriculture may delegate such powers and duties to the industry board as he deems proper and practical. The membership of the industry board, according to the terms of the Detroit license, would be composed of representatives of the public, the producers and the distributors.

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OVER MILLION FARMERS IN CORN-HOG PROGRAM

Preliminary reports from States indicate that approximately 1,111,160 agreements have been signed by farmers to reduce 1934 corn and hog production. The sign-up campaign has closed in all of the leading corn-hog producing States and will be terminated shortly in nearly all other States. Reports show that Iowa leads all States with a total of 170,000 signed agreements. Illinois is next with a total of around 125,000 agreements. The estimated total number of agreements signed in other States are: Missouri, 105,000; Nebraska, 85,000; Indiana, 80,000; Minnesota, 80,000; Kansas, 75,000; Ohio, 60,000; South Dakota, 57,200; Wisconsin, 44,000; Oklahoma, 39,100; Texas, 32,500; Michigan, 21,500; Tennessee, 21,200; Kentucky, 16,000; North Dakota, 14,200; Virginia, 10,500; Arkansas, 10,000; Colorado, 12,600; Idaho, 9,500; Oregon, 6,000; California, 4,500; Washington, 4,500; North Carolina, 5,200; Alabama, 3,500; New Mexico, 2,500; Utah, 2,200; Maryland, 2,500; West Virginia, 2,200; South Carolina, 2,000; Florida, 1,500; New York, 2,000; Pennsylvania, 1,000; Georgia, 800; Vermont, 600; Massachusetts, 300; Delaware, 300; New Hampshire, 300; New Jersey, 300; Nevada, 200; Maine, 50; Connecticut, 100; Rhode Island, 50.

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CORN LOAN PLAN BROUGHT TO CLOSE

The corn loan program, conducted by the Commodity Credit Corporation since last November, was terminated at midnight, April 30, as scheduled. A total of approximately 270 million bushels of cribbed ear corn were put under seal as security for loans at the gross rate of 45 cents per bushel, while the program was in effect. This amount of corn represents a loan value of approximately $121,300,000. The estimated loan totals by States are: Iowa, $57,000,000; Illinois, $30,000,000; Nebraska, $23,000,000; Minnesota, $5,500,000; South Dakota, $1,500,000; Missouri, $1,000,000; Indiana, $1,000,000; Kansas $1,000,000; Ohio, $250,000; Colorado, $67,500. The corn loan program was inaugurated by the Agricultural Adjustment Administration to provide immediate stimulus to farm purchasing power and to supplement the corn-hog production adjustment program for 1934. In signing the loan agreement, each borrower also agreed to participate in the 1934 corn-hog plan. Borrowers have the option of retiring the loan, plus accrued interest at 4 percent, at any time or before maturity date, August 1, 1934. If the market price of corn on the maturity date is less per bushel than the loan amount per bushel, the borrower may dismiss his obligation by turning over to the Commodity Credit Corporation or its representatives. the number of bushels of corn originally stored, provided the loan agreement has been fulfilled and provided no misrepresentations of fact were made by the borrower in procuring the loan. The loan agreement provides that the corn may be held in storage on the farm until October 15, 1934, at the option of the Commodity Credit Corporation.

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AGREEMENT AND LICENSE FOR BEE SHIPPERS

A marketing agreement and license for the bee shipping industry has been approved by the Secretary of Agriculture to become effective May 7. Increased returns to producers are sought through the establishment of standard trade practices and a schedule of minimum prices. The agreement was signed by 178 of the 200 members of the industry. The license requires the entire trade to adhere to the terms of the agreement.

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ALL GEORGIA-FLORIDA SHADE GROWERS UNDER PLAN

A sign-up of adjustment agreements covering 100 percent of the 1934 acreage of Georgia-Florida shade-grown, cigar-leaf tobacco, is reported by the tobacco section of the Agricultural Adjustment Administration. The agreements, signed by all of the 159 growers who are producing this type of tobacco in 1934, will result in restricting production by one-third of the average production for the past five years.

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BENEFIT PAYMENT PLAN FOR SUGAR BEET GROWERS

At a conference of representatives of leading sugar beet growers' organizations, representatives of certain beet sugar companies, and officials of the Agricultural Adjustment Administration held in Chicago, April 28, it was announced that parity price on sugar beets would be calculated on a regional basis and benefit payments made to growers accordingly. The conference was held at the request of the Secretary of Agriculture in an attempt to provide a basis for agreement on the terms of the 1934 beet contract between factory operators and growers. Factories previously offered a contract to growers which contained a provision which required the grower to waive all claim to payments which might result from adjudication under Section 4 (Sec. 8a (3) of the Agricultural Adjustment Act) of the Jones-Costigan Bill. Growers represented at the conference refused to accept this waiver clause stipulated in the contract. It was suggested at the conference that the factories eliminate the waiver clause. When this suggestion was not agreed to by the factory representatives, representatives of the Agricultural Adjustment Administration announced to the growers that parity price on sugar beets would be calculated on a regional basis, and benefit payments made accordingly. This procedure would result in relatively larger benefit payments in production areas which may have unfavorable contract terms. The announcement concerning parity payments does not involve approval or disapproval of the 1934 contract offered to growers by factories. The Administration also announced that a comprehensive study of the terms of all grower-factory contracts outstanding will be made in order to obtain for the Secretary of Agriculture necessary information so that he might be in position to exercise the powers conferred upon him in the Jones-Costigan Bill. The policy of calculating parity price on a regional basis would not necessarily result in uniform gross returns for beets throughout the United States. Parity prices would be calculated on the prices of prewar years specified in the Bill. These prices were not uniform throughout the United States and the fair exchange value would therefore vary as between various localities.

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GEORGIA PEACH AGREEMENT HEARING

A public hearing on a proposed marketing agreement designed to improve returns to Georgia peach producers will be held at the Hotel Lanier, Macon, Ga., on May 8. The agreement, which was submitted by a committee of growers, seeks to promote orderly marketing of the peach crop through regulation of shipments during the marketing season, and establishment of grades in accordance with standards of the Department of Agriculture. At the present time large production for Georgia and other Southern peach-producing States is in prospect. The industry believes that some regulation of the volume of shipments may be necessary this season to make certain that growers receive prices more nearly approaching fair exchange value than during the 1933 season. Georgia is the most important producer of Southern peaches, shipping approximately 45 percent of the total crop from that section of the country. Steps are being taken by the peach industry to develop similar agreements for other peach-producing regions in North Carolina and South Carolina. Such agreements would be coordinated with the Georgia agreement when it should become effective.

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60 DAYS GRANTED TO REINSTATE OPTIONS Holders of cotton options which expired May 1 will have 60 days from that date to reinstate these options if application is made within that time to the cotton producers pool of the Agricultural Adjustment Administration. Of a total of 571,434 options issued as a part of the compensation in the 1933 emergency cotton adjustment program, covering 2,428,697 bales, 567,198 options covering 2,403,174 bales have been exercised either by sale or delivery to the cotton producers pool. Of this amount, producers holding options covering 457,180 bales have called their options and the cotton sold, and the remainder has been delivered to the cotton producers pool. Options outstanding totaled 6,543 contracts covering 42,025 bales. These cases are divided as follows: 3,207 contracts for 21,449 bales have been extended, the holders paying the sum of 40 cents per bale per month carrying charge; 209 contracts covering 568 bales have called and fixed the date for future sale; 2,307 contracts covering 16,502 bales are in suspense and will be issued when adjusted by correspondence or settlement (these option holders will then have 30 days after date of issue in which to call for sale or assign to the cotton producers pool); 820 contracts covering 3,506 bales have not been heard from since date of issue and these producers are given the privilege of 60 days from May to apply for reinstatement.

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CIGAR TOBACCO AGREEMENT GETS TENTATIVE APPROVAL A marketing agreement under which four tobacco companies would agree to purchase an aggregate amount of at least 18,500,000 pounds of stemming grades of cigar-leaf tobacco at prices approximately 100 percent higher than prevailed last season, has been tentatively approved by the Secretary of Agriculture. The agreement would be applicable to tobacco grown by producers in New York, Pennsylvania, Ohio, Indiana, Minnesota, Wisconsin, Connecticut, Massachusetts, New Hampshire, and Vermont. The average minimum prices to be paid for the tobacco, which the companies would agree to purchase between December 1, 1933, and June 30, 1934, are: 6 cents per pound for 1933 crop tobacco purchased direct from growers; 6½ cents per pound for 1933 crop tobacco purchased from cooperative marketing associations; 7 cents per pound for tobacco of crops prior to 1933, not stored in a tobacco warehouse, if purchased from growers, or 7½ cents per pound if purchased from cooperatives; 8 cents per pound for tobacco of crops prior to 1933, stored in a tobacco warehouse, if purchased from growers, and 8½ cents per pound, if purchased from cooperatives. The amounts which each of the contracting firms would agree to purchase under the agreement are: Bloch Brothers, 3,000,000 pounds; Liggett and Myers, 4,000,000 pounds; P. Lorillard Company, 7,500,000; Scotten-Dillon Company, 4,000,000 pounds.

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ISSUE MILK LICENSE FOR LEXINGTON, KY. A license for the Lexington, Ky., milk sales area went into affect on May 2. A minimum resale price schedule to prevent destructive price-cutting, is included because between 40 and 50 percent of the milk supply is from producer-distributors. Prices to be paid producers, established in the license f.o.b. the city, for 4.5 percent milk are as follows: Class 1 milk, $2.15 per 100 pounds, equal to 47.8 cents per pound of butterfat. Class 2 milk, $1.60 per 100 pounds. Class 3 milk, 4.5 times average monthly quotations for Chicago 92 score butter, plus 10 percent. For milk testing above or below 4.5 percent butterfat the schedule requires a differential of 3 cents per point in the test above or below the established price.

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NEW ENGLAND GETS LOWER CLASS 2 PRICE

The request of producers' representatives for a reduction in the license schedule price of Class 2 milk which is sold for cream in the Greater Boston, New Bedford, and Fall River milk sales areas of Massachusetts, and the Providence and Newport areas of Rhode Island. has been granted by the Agricultural Adjustment Administration. Amendments to existing licenses for these areas to permit the requested reduction in cream prices went into effect May 1. The reduction was requested by producers located in the New England area in order to put their prices more nearly in line with prices of outside surplus cream, which is offered for sale in the five markets of New England by New York and Western producers because of the attractive differential in prices. Situations like this, officials of the Administration pointed out, illustrate the interrelation of prices in different milk sheds, and the necessity of dealing with the dairy problem on a nation-wide and industry-wide basis by production control or other methods. In explaining the price change requested by producers, it is pointed out that sweet cream originating in New York and the West is selling in New England markets at from $10 to $10.50 per 40-quart can of 40 percent cream. The prevailing price of cream as provided in the license schedules before the amendments, has been approximately $12.21 per 40-quart can of 40 percent cream. The reduced price provided in the amendments results in a Class 2 price of about $1.06 per 100 pounds at the prevailing butter market. This price is a decrease of about one dollar per 40-quart can of cream. The reduced price does not quite meet the competitive price unless conversion costs are included, but it is a reduction deemed advisable by producers in the area owing to the fact that a surplus in another area when shipped into the New England market has the same effect as a surplus produced locally.

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MILK LICENSE ISSUED FOR RICHMOND, Va.

A new license for the milk sales area of Richmond ,Va., became effective on May 1. The former license which went into effect December 16, 1933, was concelled by the Agricultural Adjustment Administration simultaneously with the issuance of the new license. All obligations of distributors occuring under the old license must be fulfilled as a part of the provisions of the new license. The new license includes a schedule of prices payable to producers, but there is no resale price schedule named. It establishes for producers a Class 1 price f.o.b. the city plants of $2.90 per 100 pounds of 4 percent milk. This is a reduction of 27 cents per hundredweight under the former Class 1 price of $3.17 for 4 percent market milk. The licenses does not fix a bonus of 20 cents per 100 pounds above the market price for special grade milk as before, but any dealer who wishes to pay a premium must pay the premium alike to all producers who furnish milk of the required grade. The Class 1 farm price has been carefully adjusted according to the competitive conditions and factors of quality and supply. The Class 2 price is established at $1.70 per 100 pounds while Class 3 milk will be rated at four times the average monthly quotation for 92 score New York butter, plus 10 percent. On each 100 pounds of milk differentials of 4 cents per pound in the fat test above or below the market standard are provided in the license. The usual standard provisions are used in the license to protect the producers, and to insure fair treatment to all agencies.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 32 May 12, 1934

EXTEND WHEAT SIGN-UP BECAUSE OF DROUGHT

Extension of the wheat sign-up period until May 16 to allow farmers in drought States opportunity to come in the program was announced by the Agricultural Adjustment Administration. While the primary purpose of the wheat plan is the adjustment of production to fit a curtailed market, it was pointed out that the program has a secondary function which has become of great importance due to the drought. Since rental or benefit payments to cooperating farmers are based on average past production and not on the current crop, the wheat program serves as an income insurance plan in time of drought. The insurance features also protect hog and corn raisers, and cotton and tobacco farmers in the same way.

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MAY INCREASE FLUE-CURED TOBACCO

Producers participating in the 1934 adjustment program for flue-cured tobacco are offered an opportunity to increase acreage or production of tobacco above the amount allotted under the terms of the contract, according to an administrative ruling announced by the Agricultural Adjustment Administration. Under the ruling, issued because of unfavorable weather conditions in some sections of the flue-cured tobacco belt, producers may increase either their acreage or production, or both, to as much as 80 percent of their base, instead of the 70 percent allotted under the contract. Producers who take advantage of this ruling will receive smaller payments than those who grow and market only 70 percent of their base. Producers who desire to harvest more than 70 percent and not more than 80 percent of their base tobacco acreage will indicate their acceptance of the option when the acreage is checked. No change is contemplated at this time in the allotments to growers of other types. The supply situation is less unsatisfactory in the case of most other types than is true of flue-cured tobacco. In the case of Burley and some of the cigar-leaf types with the larger excess supplies, a crop materially below the quantity allotted under contracts would result in no shortage of tobacco. The ruling for flue-cured demonstrates the flexibility of the adjustment program in adapting itself to changes which may occur, and will enable producers to adjust acreage and production to fit conditions.

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COUNTRY GRAIN ELEVATOR CODE

A code of fair compeition for the country grain elevator industry was signed by the President to become effective May 21. The code applies to approximately 15,000 country grain elevators. When it becomes effective, the country elevator code will be the second for a large group handling farmers' grain. A code for grain exchanges became effective March 31. Chief benefits accruing to the farmer from the code will be through its provisions for fair methods of competition.

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CATTLEMEN DEVELOPING ADJUSTMENT PROGRAM

The 25 members of the advisory committee of cattlemen, recently selected to work with the cattle section of the Agricultural Adjustment Administration in formulating and proposing an adjustment program for the cattle industry, held the first meeting in Washington. The men present at this meeting were: C. J. Abbot, Lincoln, Neb.; A. L. Berg, Baltic, S. Dak.; Dolph Briscoe, Uvalde, Tex.; Elmer Brock, Kaycee, Wyo.; F. R. Carpenter, Hayden, Col.; L. A. Chapin, New York, N.Y.; Charles E. Collins, Kit Carson, Col.; Maurice Douglas, Flat Rock, Ind.; Marion Finley, Hoopeston, Ill.; Thomas B. Glascock, Upperville, Va.; R. M. Gunn, Buckingham, Iowa; C. L. Jamison, Klamath Falls, Ore.; Kenneth Hones, Colfax, Wis.; F. F. McArthur, Oakland, Iowa; Joe H. Mercer, Topeka, Kan.; W. B. Mount, Shouns, Tenn.; A. J. Olsen, Renville, Minn.; H. H. Parke, Genoa, Ill.; Judge George Rittenour, Piketon, Ohio; Joe Robinson, Mercer, Pa.; Hubbard Russell, Los Angeles, Calif.; J. Blaine Shaum, Tarkio, Mo.; E. B. Weatherly, Cochran, Ga.; Willard Edwards, Humboldt, Iowa; and George W. Lester, Bains, La. Details of the present cattle situation and various possibilities for adjustment to aid cattle breeders and feeders were outlined to the advisory committee by officials of the Adjustment Administration. The committee has selected a number of special groups from its own membership for intensive study of various phases of possible adjustment programs. This work will lead to the development of a proposed adjustment program, which will be submitted to the cattle industry for discussion at a series of regional conferences.

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CORN-HOG GROWERS GET FIRST PAYMENTS

Farmers participating in the 1934 corn-hog adjustment program, have thus far received first payments totaling $110,327. Producers in Marion County, Iowa, received $39,690; O'Brien County, Iowa, $48,076; Scott County, Minn., $2,372; Calhoun County, Iowa, $2,926; Mitchell County, Iowa, $8,327; Winnebago County, Iowa, $6,604; Lyon County, Iowa, $2,342. The first payment to corn-hog producers for the country as a whole will probably total about 160 million dollars. Total corn-hog payments will amount to about 350 million dollars. The second payment for hog reduction and final installment for corn reduction will be paid about November 15, 1934. The final installment on hog payments will be paid about February 1, 1935. Checks now being distributed to cooperating producers represent two-fifths of the hog money and one-half of the corn money eventually to be paid cooperating producers. In the first installment, the producer receives 15 cents of the total of 30 cents to be paid per bushel of estimated yield of corn on the contracted acres and $2 of the total of the $5 to be paid per head on a number of hogs equal to 75 percent of the 1932-33 average production. Approximately 1,200,000 corn-hog producers, representing the bulk of the Nation's commercial corn and hog production, have signed the 1934 corn-hog adjustment agreement. Between 80 and 90 percent of all producers in the principal corn-hog States have come into the plan and will share in the reduction payments this year and during the early part of 1935. In practically every State, there are cooperating corn-hog producers. The sign-up campaign is now complete in nearly all sections.

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WATERMELON AGREEMENT GETS HEARING DATE

A public hearing on a proposed agreement for the watermelon industry in the Southeastern States, which seeks to increase returns to producers by regulating volume of shipments to markets, will be held May 14 at the Hotel Savannah at Savannah, Ga. The agreement is proposed by watermelon cooperative marketing associations and a committee of shippers. The industry in the Southeast is centered in Georgia, Florida, North Carolina, and South Carolina.

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GROUP TO ADJUST COTTON COMPLAINTS

Complaints, violations, and misunderstandings arising in connection with cotton adjustment agreements will be investigated and adjusted by eight district agents from the Extension Service of the Cotton Belt, who have been designated to work as field men. These men are: W. J. Green, Stillwater, Okla.; C. C. Randall, Little Rock, Ark.; C. C. Smith, Greenwood, Miss.; J. G. Oliver, Athens, Ga.; E. W. Gaither, Raleigh, N. C.; Judd Brook, Jackson, Tenn.; C. W. Davis, Baton Rouge, La.; A. H. Ward, Aiken, S. C. Each will be detailed to visit certain States, and counties within those States, to investigate the justifiable complaints which have been assigned him in Washington. Insofar as possible, the field workers will, in every case, ascertain the facts and endeavor to make an adjustment mutually satisfactory and fair to all parties concerned.

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NORTHWEST WHEAT EXPORTS INCREASE

Export sales totaling 25,431,000 bushels of wheat and wheat as flour had been made by the North Pacific Emergency Export Association up to the close of business May 9. Purchases by the association totaled 25,758,000 bushels. Exports by the association are made under the terms of a marketing agreement the purpose of which is to remove surplus wheat from Washington, Oregon, and northern Idaho. Under the agreement, exporters are reimbursed for losses sustained as a result of selling on the world market at lower than prevailing domestic prices. When the association was formed, it was estimated that between 30 and 35 million bushels would be exported in order to remove the pressure of the surplus in the Northwest area. Purchases to date apparently have been effective in relieving that pressure, and there is not a large amount of wheat remaining from the last crop to be handled in that area. The average differential between domestic and world prices on wheat sold to date by the association has been approximately 22¾ cents a bushel. This differential is paid out of a fund created by allocating 2 cents a bushel of the 30 cent a bushel wheat processing tax. Shipments have been made to some 40 destinations.

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TOBACCO SIGN-UP ENDS IN PUERTO RICO

Practically all Puerto Rican producers growing tobacco this season have signed cigar tobacco adjustment agreements, the Agricultural Adjustment Administration announced. The sign-up in Puerto Rico covered the first adjustment plan to be put into effect for an insular possession or territory of the United States. A total of 10,000 agreements were signed by growers. Approximately 90 percent of those who raised tobacco during the years 1929-34, the base period under the agreement, are included in the program. The agreements offered Puerto Rican producers, by which curtailment of the crop being harvested and the acreage to be planted next season is sought, require that growers leave unharvested all of the second and third crops on their acreage this season. For this reduction growers will receive payment at the rate of $10 per cuerda (1.01 acres) where the crop is harvested by "priming" or picking individual leaves, or payments at the rate of $15 per cuerda where the crop is harvested by stalk cutting. Puerto Rican growers are also asked to reduce acreage planted for the 1934-35 crop, with a choice of curtailing acreage by 40 percent and harvesting two crops; or by curtailing acreage by 25 percent, and harvesting only one crop. Rental payments of $30 per cuerda on land taken out of production, and an adjustment payment of 30 percent of the market value of the crop will be made. Approximately $1,750,000 will be distributed to producers participating in the 1933-34 and 1934-35 program. The agreement contains an option by which reduction may be required in 1935-36, if held necessary by the Secretary of Agriculture.

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SUGAR PROGRAM PLANS UNDERWAY

Plans for an adjustment program for sugar beets and sugar cane and for administration of the Costigan-Jones Act signed by the President, are taking definite form. Special attention is focused on the pending program for domestic sugar beets, which is closely patterned after the programs in effect on other basic agricultural commodities, such as wheat, cotton, and tobacco. The Act provides that the Secretary shall within 30 days proclaim that rental or benefit payments with respect to those commodities will be made and the processing tax shall be in effect in 30 days. This proclamation has already been issued. It is estimated that proceeds from the processing and compensating taxes, which cannot exceed one-half a cent per pound, 96° raw sugar basis, would amount to 63 million dollars a year, of which approximately 20 million dollars would be distributed as benefit payments among the growers of sugar beets and sugar cane in continental United States who participate in the program. Out of the remaining 43 million dollars, the taxes arising out of the processing of sugar cane produced in the insular areas would be available for use, for the benefit of agriculture generally or for reduction in cane acreage or sugar production in those areas, at the discretion of the Secretary of Agriculture, with the approval of the President. Sugar beets, in a number of areas, have already been planted, while in other areas planting operations are just about to begin. It is therefore desirable that both the growers and the beet sugar companies know immediately what their allotments will be in order that they may make their plans accordingly. It is expected that the basis for individual farm allotments will be announced shortly by the Agricultural Adjustment Administration. The average price paid to the beet growers for the 1933 crop is estimated at $5.32 per ton, whereas the prospective return for the next crop under the Administration's program is likely to average $6.50 a ton.

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TURPENTINE AND ROSIN INDUSTRY LICENSE

A license for the wood turpentine and rosin branch of the naval stores industry will become effective May 13. The license establishes a system of marketing quotas, which during the period from April 2, 1934 to December 31, 1934, shall not exceed 71,000 barrels of wood turpentine and 399,000 barrels of wood rosin. This quota is apportioned among the various branches of the processors as follows: 57,000 barrels of wood turpentine and 399,000 barrels of wood rosin, to the processors of steam distilled wood turpentine and wood rosin; 9,000 barrels of wood turpentine to the processors of this product by the sulphate process, in which it is a by-product to the manufacture of paper; and 5,000 barrels of wood turpentine to the processors of this product by the destructively distilled process. A control committee will determine, on the basis of past processing, the apportionment of the quotas among the individual processors. This committee will consist of seven members elected by the various wood rosin and wood turpentine groups. Three members will be elected by steam distilled processors; two by sulphate processors; and two by destructively distilled processors. On October 1 of each year the control committee will estimate the quantity of wood turpentine and wood rosin which will be available January 1 of the ensuing year, and on the basis of this estimate and market surveys will determine the marketing quotas of the ensuing calendar year.

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BURLEY GROWERS GET PAYMENTS

Distribution of an initial block of 947 checks totalling $24,334, initiated the disbursement of approximately 15 million dollars in rental and adjustment payments to 95,000 growers who have signed agreements to reduce 1934 Burley tobacco acreage and production by from one-third to one-half of their base. The first checks went to participating growers in Smith County, Tenn.

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FIRST YEAR UNDER THE AGRICULTURAL ADJUSTMENT ACT SHOWS MARKED GAINS MADE BY AGRICULTURE

Just a year ago on May 12, the Agricultural Adjustment Act was signed by the President. The first anniversary of the Act terminates a period in which cash income of American agriculture increased by more than 39 percent. Activities under the Agricultural Adjustment Act have been centered upon the task of better adjusting production to demand. Although much remains to be done, a beginning of adjustment has been accomplished, and already farm income is showing important improvement due in part at least to the better balance of supply with demand.

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At the close of the twelve-month period adjustment has been extended to a preponderant share of the nation's agriculture. Farmers have signed more than 2,860,000 agreements to adjust production of basic commodities under plans which provide benefit payments.

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In addition to programs for basic commodities, marketing agreements and licenses are including a large number of farmers within the benefits of the Act. It is estimated that 80,000 dairy farmers supply markets in which 19 milk licenses enforce producer prices. The 22 agreements covering special crops, including rice, fruits, and vegetables, are increasing prices and stabilizing markets for over 740,000 growers. Codes of fair competition affecting agricultural products are in effect and others are in prospect.

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The estimated farm income exclusive of the value of products used on the farm for the year which terminated May 1, 1933 was $3,979,000,000. In the twelve-month period terminating May 1 of this year, cash income is estimated at more than $5,530,000,000. The increase is more than $1,500,000,000, or over 39 percent. Of this increase, rental and benefit payments totaling $185,038,000, accounted for more than 12 percent. The rental and benefit payments are in addition to added returns to income farmers receive through increased prices resulting from programs to adjust production to effective demand.

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Initial steps toward adjustment programs are now being taken for other products recently added to the list of basic farm products by amendments to the Agricultural Adjustment Act. Conferences have been held on a program for adjustment of the cattle industry. A program for adjustment of the domestic sugar industry is contemplated.

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Price-supporting operations through surplus removal programs were also carried on. Surplus wheat has been sold for export. Large quantities of surplus agricultural products have been removed from commercial channels and distributed to the needy and underfed of the country. These expenditures, including the 35 million dollars spent in the emergency hog campaign, total approximately 90 million dollars.

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The Commodity Credit Corporation has loaned farmers about 80 million dollars on cotton at 10 cents per pound. Nearly 90 million dollars has been disbursed on corn loans at 45 cents per bushel. Cribbed ear corn under seal represents a loan value totaling in excess of 120 million dollars.

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NEWS DIGEST

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 33 May 19, 1934

RELIEF PLANS DRAWN FOR DROUGHT AREAS

Modification of planting restrictions on farms under adjustment agreements to permit seeding of emergency forage crops to replace in part the feed crops destroyed by the drought, and purchase of surplus cattle in drought areas where the feed situation is so acute that cattle cannot be carried longer on the farms, will constitute major immediate contributions of the Agricultural Adjustment Administration to the correlated Federal program of relief for farmers of drought-stricken areas. These are in addition to benefit payments under crop adjustment programs which constitute a definite crop income insurance in cases of crop failure. Funds that could be made available under the authorization of the Jones-Connally Act would be used to finance the surplus cattle purchase. The Federal Relief Administration would finance processing and distribution of products which could be used for relief purposes. Representatives from States in the drought area assert that there are sufficient available areas for forage crop planting on farms in their district, if the restriction on total planting are removed, without releasing the relatively small percentage of areas which fall in the definitely retired classification under the agreements. The Federal Emergency Relief Administration has already made assignments of $600,000 primarily for the purchase of forage crop seed for emergency planting in the drought areas. Details of the cattle buying and contract modification programs will be completed as quickly as possible, and will be announced in connection with the correlated Federal drought relief plans. Determination of the definite counties which are to be designated as "drought areas" for the purposes of the relief program will be one of the first steps. It is expected that almost all counties in the Dakotas and those counties in bordering States where the situation is most serious, will be designated as the basic "acute" areas. Other counties will be added to the list if and when field reports indicate the necessity.

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AMEND FOUR LICENSES FOR MILK SALES AREAS

Amended licenses for the milk sales areas of Wichita, Kan., Lincoln, Nebr.; Sioux City, Iowa.; and Greater Kansas City, became effective May 16. The amended licenses seek to improve and clarify certain provisions of the former licenses so as to aid in administration and enforcement.

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1934 PROGRAM CHECKS SENT TO FARMERS

Rental and benefit payments to growers participating in the 1934 adjustment programs for cotton, tobacco, and corn and hogs have reached a total of $9,172,589. Of this amount tobacco growers received $6,635,369; cotton farmers, $2,246,217; and corn and hog producers, $291,003. The writing of checks for rental and price-equalizing payments to producers of flue-cured tobacco is nearing completion. Over 103,400 contracts and 48,800 applications for price-equalizing payments have been received and recorded. Of this number 74,501 contracts, calling for $3,272,528 in rental payments, and 31,441 applications for price-equalizing payments, totaling $2,650,549, have been distributed. The distribution of these payments, by States, is as follows: Florida, rentals, $23,682, price-equalizing payments, $69,571; Georgia rentals, $267,888; price-equalizing payments, $701,648; North Carolina, rentals, $2,225,436, price-equalizing payments $1,048,995; South Carolina, rentals $343,483, price-equalizing payments $830,172; and Virginia, rentals, $412,037, price-equalizing payments, $161. A total of 28,786 Burley tobacco contracts have been received and 14,745 checks, representing $685,846 have so far been distributed. Payments to Burley growers is as follows: Ohio, $17,366; Indiana, $2,008; Virginia, $3,058; West Virginia, $30,332; Kentucky, $604,462; and Tennessee $28,620. Growers of Fire-cured tobacco in Virginia have received $8,056. Maryland tobacco producers have received $18,390. It is expected that the first installment of approximately 50 million dollars in rental payments will be in the hands of cotton farmers within the next six weeks. Checks representing $2,246,217 have been written, as follows: Alabama, $156,247; Arkansas, $133,488; California, $19,037; Florida, $4,152; Georgia, $826,826; Louisiana, $102,675; Mississippi, $77,641; New Mecixo, $60,999; South Carolina, $509,935; Tennessee, $16,605; and Texas, $338,647.

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LIVESTOCK MARKET AGENCY CODE HEARING

A public hearing on a proposed code of fair competition for the livestock market agency industry, which would regulate hours of labor, rates of wages, and establish standard trade practices for those commission firms operating at licensed markets, will be held at the United States Tariff Commission Building, Washington D. C., on May 24. The code is sponsored by the National Livestock Exchange, the Farmers Livestock Marketing Association, and the National Livestock Marketing Association. These organizations state that their combined membership handle 95 percent of the sales of livestock transacted on licensed markets. Issuing of any false or misleading advertising concerning market conditions or the price of sale of any livestock would be prohibited under the code as would soliciting of consignments in an unethical manner, as for example at unloading platforms or while livestock is in transit to market by truck; giving free meals, lodging or entertainment to truckers of livestock to influence deliveries; paying for collect telephone calls or telegrams except as pertaining to the personal business of the firm; providing patrons with gratuitious veterinary services or livestock equipment; refunding commissions or a part of commissions; rendering false statement of sales; pooling of shipments in such a way as to adversely affect the value of any one shipment. Commission firms would be barred from making country purchases of livestock from producers for purposes of speculation, and from guaranteeing prices of livestock shipped on consignment, or selling livestock at a price contingent with the prices brought by other livestock. The code would be administered by a National committee, consisting of 13 members representing cooperative, old line, and unaffiliated firms.

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MILK INDUSTRY BOARD NAMED FOR DETROIT

A milk industry board for the Detroit, Mich., milk sales area, has been approved by the Agricultural Adjustment Administration. This is the first such board to be established for a market under a milk license. The board is composed of three representatives of producers, three for the consumers and three representing the distributors. It was authorized by the Agricultural Adjustment Administration to meet at once with the Detroit milk market administrator and act in an advisory capacity. The establishment of a milk industry board at Detroit was recently proposed by agencies on the market. Establishment of such a board is provided for in the Detroit license as well as in all other existing milk licenses issued by the Agricultural Adjustment Administration under the new policy. It is intended to promote local interest and responsibility in the proper handling and marketing of the fluid milk by establishing such boards subject to the approval of the Secretary of Agriculture. In naming such boards proper representation is sought for all classes of producers and large and small distributors, as well as consuming interests.

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MILK LICENSE FOR LEAVENWORTH

A license for the milk sales area of Leavenworth, Kan., became effective May 16. The license provides for established prices to producers and low minimum resale prices on milk and cream, with an equalization pool and an adjustment fund directed by the administrator to include all commercial distributors and producer-distributors whose average daily sales exceed 300 pounds of milk equivalent. Prices to producers are established on the basis of 3.5 percent milk f. o. b. the city plants, with a butterfat differential of 4 cents per point in the test above or below the standard. The schedule provides substantial price increases to producers. The Class 1 milk price for sales of whole milk provides $1.75 per 100 pounds for producers. Class 2 milk used for cream sales will bring producers 3.5 times the average price of 92 score Chicago butter plus 25 percent, plus 25 cents per 100 pounds. Class 3 milk, or all milk in excess of milk and cream sales, is priced at 3.5 times the Chicago butter quotation plus 20 cents per 100 pounds. The usual protective clauses are inserted in the license regarding security from distributors for payment of milk bought from producers and the guarantee is provided that the producers or the administrator may check tests and weights of milk. New producers who were not on the market 90 days before the effective date of the license may sell milk only at Class 3 prices for a temporary period.

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DRY SKIM MILK AGREEMENT AMENDMENTS

Amendments to the dry skim milk marketing agreement which have been submitted to the Agricultural Adjustment Administration by the industry, were approved by the Secretary of Agriculture to become effective May 20. Changes are made in the schedule of differentials above carlot base rates on dry skim milk used in feeding livestock. Lots of less than one ton in the original agreement were charged for at five-eighths of one cent per pound above carlot rates, while the amendment reduces this differential to three-eighths of one cent per pound. Under the original agreement schedule, lots of one ton or more were listed at premiums above carlot rates according to varied tonnages, while the amendment declares that all lots of dry skim milk for feeding purposes weighing one ton or more will have a flat premium rate of one-fourth of one cent per pound. Another amendment provides that contract periods shall not be for more than 60 days from date of contract and that no contracts may be post-dated.

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RELIEF PORK PURCHASES TO STABILIZE MARKETS

Bids to buy and process for relief distribution a maximum of 225,000 hogs during the next two weeks have been awarded by the Federal Surplus Relief Corporation to 27 meat processing concerns, operating at 23 market points in the United States. This is a continuation of relief buying operations which have been conducted through the winter months to provide hog products for needy families and to assist in the stabilization of the hog market through the purchase and utilization of pork in excess of the normal requirements of the customary trade channels. In order that current purchases might have the maximum direct effect on the hog market, the country was divided into four regions and bids from processors within each region were considered separately from bids from processors within the other regions. The awards by regions were then made in such volume as would distribute the Government purchases more nearly in proportion to the geographical distribution of total hog marketings than has been the case in past purchase operations. This method will permit the Government to purchase a substantial number of hogs without creating an abnormally high price of hogs at any one market, or at markets within one section as compared with other sections; consequently, the beneficial effects of the buying can be directly and uniformly reflected in the price at all markets. Processors awarded bids will buy the hogs at the prevailing market price and process them at the contracted rate per hundredweight. The average price of hogs at Chicago during April was $3.85 per hundredweight, as compared with $4.31 per hundredweight in March when receipts were about 12 percent lighter and with $3.77 per hundredweight a year ago when no processing tax funds were being collected for distribution to producers cooperating in production adjustment. The Federal Surplus Relief Corporation also accepted bids from processing concerns for the furnishing of approximately 15,000,000 pounds of commercial cuts of hog products and approximately 5,000,000 pounds of lard for relief distribution.

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NEW CLING PEACH AGREEMENT HEARING

A public hearing on a proposed marketing agreement designed to continue control of the pack of canned cling peaches from California, and to maintain increased returns to growers will be held at the University of California, Berkeley, Calif., on May 25. During the 1933 season, the cling peach industry operated under a marketing agreement through which growers received approximately $2,750,000 increased returns for their crop. As the agreement was drawn only for the 1933 season, it will be necessary to complete the new agreement if control of the pack is to be continued for the 1934 season. Under the proposed agreement the control committee would make a survey of probable production and determine, with a view to obtaining reasonable prices for growers without unduly increasing the cost to consumer, the advisable size of the total pack. If indicated production exceeded the advisable pack, and some restriction was found to be necessary, certificates for the amount of the advisable pack would be issued and distributed to growers on the basis of the amount of cling peaches they have available for packing. Under the agreement canners would buy only peaches for which certificates were issued, thus holding the total pack to the advisable amount. This method would control surplus at its point of origin and would, in the opinion of those proposing the agreement, render unnecessary the complications of allocation of pack to canners, minimum price schedules, resale price schedules, retail price schedules, and price increase funds, which were used under the previous agreement.

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NEWS DIGEST

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 34 May 26, 1934

DROUGHT RELIEF AREAS NAMED IN 12 STATES

A total of 264 counties in 12 States have been designated by the Agricultural Adjustment Administration as drought areas for purposes of administering the relief program for drought-stricken districts. The States in which drought counties have been designated are Minnesota, North Dakota, South Dakota, Wisconsin, Montana, Wyoming, Kansas, Nebraska, Texas, Oklahoma, Colorado, and New Mexico. Administrative rulings have also been issued which modify wheat, corn-hog, and tobacco adjustment contracts to permit increased planting of forage crops for feed on farms under contract and pasturage on "contracted" or "rented" acres which have been withdrawn from basic crop production under adjustment contracts in these counties. Of the counties designated, 121 in the Dakotas and Minnesota are listed as "emergency" drought areas in which the Administration's surplus cattle removal program would be undertaken.

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TO LINK CATTLE PLANS WITH DROUGHT WORK

To provide for possible coordination of a proposed cattle adjustment program with any necessary removal of surplus cattle as an emergency drought relief activity, final recommendations on the cattle program will be deferred for several days, the Agricultural Adjustment Administration announced. The advisory committee of 25 cattle breeders and feeders has been working with the Administration in developing a plan, and a subcommittee of five has completed most of the preliminary study. Tentative suggestions of this subcommittee will be built into definite program recommendations, with drought conditions and other factors given full consideration. The cattle adjustment plan which is eventually offered by the Administration, on recommendation of the advisory committee, will be taken to the field through a series of regional conferences for consideration and approval by cattlemen of the country.

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SUGAR BEET PROCESSORS GET SALES ALLOTMENTS

Marketing allotments for domestic beet sugar processors for the calendar year 1934 were announced by the Agricultural Adjustment Administration. Pursuant to provisions of the Act which made sugar beets and sugarcane basic commodities, the Acting Secretary of Agriculture announced 6,476,000 short tons, raw value, as the consumption figure for continental United States in the current calendar year. This is 24,000 short tons in excess of the base consumption figure included in the Act. Under the Act, 30 percent of such excess is allocated to continental areas. The total amount of beet sugar to be marketed in the United States has been fixed, at 1,556,166 short tons, raw value, or 29,087,200 bags of refined sugar of 100 pounds each. Processors in the western area are allocated 84.79 percent of the total quota and the eastern area 15.21 percent. The marketing allotments to western processors for the current calendar year equal 24,663,502 bags of sugar, 100-pound weight, and to eastern processors, 4,423,698 bags.

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POTATO AGREEMENT HEARING MAY 28

A proposed marketing agreement for early Irish potatoes grown in North Carolina and the Norfolk area of Virginia will be considered at a public hearing to be held May 28, in the Chamber of Commerce Building at Norfolk, Va. This is the first potato marketing agreement to be called for public hearing. It was submitted to the Agricultural Adjustment Administration by growers and shippers in the producing areas and seeks to bring market supplies more nearly in line with demand by a system of regulation of shipment, for the purpose of maintaining reasonable returns to growers. In the proposed agreement, a quota of the advisable shipments during any period of the marketing season would be determined by a control committee and allocated to the producing districts, shippers, and growers. The control committee in charge of the agreement would be empowered to determine, before October 15 of each year, the probable quantity of potatoes from all of the districts which the market might absorb without unduly depressing the prices. Provisions of the agreement provide that it may become a part of a national system of marketing agreements for the potato industry, if agreements for other areas are developed.

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PEAR AGREEMENTS GET HEARING DATES

Control of marketings and improved conditions in the Bartlett pear industry of the Pacific Coast in order to increase returns to growers are sought in two proposed marketing agreements for which public hearings have been called by the Agricultural Adjustment Administration. One agreement would be for the California Bartlett pear industry. The hearing on this will be held May 28 in the Life Science Building, University of California, Berkeley, Calif. The other agreement would be for the Pacific Northwest Bartlett pear industry in the States of Washington and Oregon. The public hearing on it will be held June 1 at Portland, Ore. The two agreements would be coordinated through a joint canning committee and a joint shipping committee. The joint canning committee would determine the total amount of pears which might be canned during the season, and the joint shipping committee would determine the total amount of fresh Bartlett pears which might be shipped, and these quotas would be divided on an equitable basis between the two areas. After each area had received its allocation for canning or for fresh shipment channels, a control committee would issue canning or fresh shipment certificates to growers showing the amount of each grower's production which might be purchased by canners or shippers. Growers would have the right to apply for allotments and certificates for either canning or fresh shipment, as they prefer. The control committee for the California agreement would be made up of twelve growers, six shippers and six canners. The control committee of the Pacific Northwest agreement would consist of twelve grower-representatives, three shippers and nine canners. The joint shipping committee would have four grower-members from California, four grower-members from the Pacific Northwest, four shippers from California, and four shippers from the Pacific Northwest. The joint canning committee would have four grower-members from California, four grower-members from the Pacific Northwest, four canners from California, and four canners from the Pacific Northwest.

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CIGAR TOBACCO SIGN-UP TO CLOSE JUNE 15

June 15 has been set as the final date for acceptance of adjustment contracts for cigar-leaf tobacco grown in the Wisconsin-Minnesota, Ohio-Indiana, Pennsylvania-New York, and New England areas. Producers who operated under cigar-leaf contracts in these producing districts last year also have until June 15 to execute riders which carry the options contained in the 1934 contract, giving producers the choice of reducing acreage by either 33-1/3 percent, 50 percent, or 100 percent, of their base acreage. Producers also have until June 15 to select or change a selection already made in the option as to the proportion of base acreage to be retired from production under the contract. Some cigar manufacturers have indicated that in their judgment producers in position to grow tobacco of the most desirable qualities for cigar purposes will find it to their advantage to accept the options providing for the smaller reduction rather than options for larger reductions. Officials of the tobacco section pointed out that although total stocks of cigar types are still large, it may be that stocks of some grades have been reduced until they are not excessive. However, it is suggested that each grower consider carefully the demand for the quality of tobacco which he produces in order to obtain the greatest possible advantage from the flexible provisions of the 1934 adjustment contract.

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PRESIDENT APPROVES FEED INDUSTRY CODE

A code of fair competition for the feed manufacturing industry has been approved by the President to become effective June 4. The code is for commercial manufacturers of livestock and poultry feeds, but does not include small manufacturers who mix and manufacture these feeds on a small custom basis. About 300 manufacturers are affected by the code, which was submitted by the American Association of Feed Manufacturers. It will be administered by a code authority of seven members. As various State regulatory groups protect farmers by enforcing standards and grades of feeds, no provision for such standards is made in the code. Fair trade practices set forth in the code deal mainly with relations between manufacturers and dealers and include limitations on the time of sales, prohibitions against shipping on consignment. The code also includes wage and labor provisions.

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FT. WAYNE MILK AGREEMENT HEARING

A hearing on a proposed marketing agreement for the milk sales area of Ft. Wayne, Ind., has been scheduled for May 28 by the Agricultural Adjustment Administration, upon request of agencies on the market. The hearing will take place in the assembly room of the Court House at Ft. Wayne.

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EXTEND TIME FOR BRIEFS ON MICHIGAN MILK PACTS

The time for filing briefs on proposed milk marketing agreements for four Michigan milk sales areas has been extended to include June 1. Public hearings were held recently on these proposed milk marketing agreements which are for the milk sales areas of Ann Arbor, Saginaw, Flint, and Grand Rapids. Briefs subsequent to these hearings may be filed with the Chief Hearing Clerk, Agricultural Adjustment Administration, Washington, D. C.

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RAISIN AGREEMENT TENTATIVELY APPROVED

Increased returns to raisin growers of California through control of market supplies and establishment of minimum prices to be paid by packers, are sought in a marketing agreement tentatively approved by the Acting Secretary of Agriculture and submitted to raisin packers for their signatures. Minimum prices specified in the agreement for raisins grading standard or better are: Thompson Seedless, 1933 crop, $65 per ton; Thompson Seedless, 1934 crop, $70 per ton; Sultana, 1934 crop, $65 per ton; Muscat, 1934 crop, $60 per ton. The agreement provides that 15 percent of all raisins of these varieties acquired by the packers from the 1934 crop be turned over to the control board of 11 members as a "control percentage". The purpose of the "control percentage" is to keep the surplus from the market and enable growers to receive the minimum price per ton for the remaining 85 percent of the raisins delivered, which is termed "free percentage" and is available for packing. After 75 percent of the total crop of any variety had been sold by the growers, the "control percentage" raisins of any variety of such crop could be immediately sold to packers at not less than the minimum price; and beginning July 1 of any year the "control percentage" raisins could be sold at prices to be determined by the control board, for by-product purposes or other uses which would not interfere with the market for packed raisins. In any event all "control percentage" raisins of any crop must be disposed of before December 1 of the calendar year following that in which the raisins were harvested. The "control percentage" raisins would be pooled by varieties and grades and sold by the control board, and the net proceeds distributed to the growers.

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SUGAR PROCESSING TAX HEARING

A public hearing to determine the effect of the processing tax on sugarcane used in the processing of syrups and molasses will be held in the United States Tariff Commission Building, Washington, D. C. If the Secretary of Agriculture finds after completing his investigations that a processing tax based on the difference between the current average farm price and the fair exchange value of sugar beets or sugarcane, as limited by the reduction of the tariff on sugar, will cause an accumulation of surplus stocks, the processing tax shall be at such rate as the facts determine and will prevent an accumulation of surplus stocks or depression in the farm price of sugar beets, or sugarcane.

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CITRUS SHIPPER'S LICENSE REVOKED

An order revoking the license of Earl Baker, Inc., a firm operating at Pomona, Calif., under license No. 23, for shippers of oranges and grapefruit grown in the States of California and Arizona, became effective May 26. The license of this firm was ordered revoked by the Secretary of Agriculture in an order issued May 10, but the operation and effect of the order were stayed pending the decision of the Secretary on the application of the firm for modification of the license. Opportunity was given Earl Baker, Inc., to present testimony on the modification application at a public hearing in Los Angeles on May 9, but the firm withdrew the application and declined to present evidence. The revocation order was issued after the Secretary found Earl Baker, Inc., to have violated the terms of the license by shipment of oranges without allotment, by shipping a large quantity of oranges in interstate commerce without abiding by any allotment whatever, by failure to furnish the growers' advisory committee estimates of fruit held for shipment, and by failure to notify the distribution committee of transfers of allotments to it by various other firms.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 35 June 2, 1934

1934 PROGRAM CHECKS BEING SENT FARMERS

Rental and benefit payments to growers participating in 1934 adjustment programs for cotton, tobacco, and corn and hogs now total $19,209,239. To date 620,000 contracts from cotton growers have been received and recorded by the contract record section, and of these 211,330 have been administratively approved and released for disbursement. The distribution of checks for c.tton contracts, is as follows by States: Alabama, $1,233,207; Arkansas, $814,112; Arizona, $98,574; California, $295,925; Florida, $4,807; Georgia, $2,014,037; Kentucky, $1,993; Louisiana, $835,645; Mississippi, $516,711; New Mexico, $158,911; North Carolina, $133,674; South Carolina, $949,946; Tennessee, $47,351; Texas, $2,039,035; Checks have been written for 18,420 of the 39,504 contracts which have thus far been administratively approved for payment. Growers of flue-cured tobacco received $7,143,005, of which $4,091,048 consisted of rental payments on 91,171 contracts, and $3,051,957 on 36,762 applications for price-equalizing payments. Growers of fire-cured tobacco received $10,350 on 771 contracts while checks have been written for a total of $23,966 to producers of Maryland tobacco. Some 13,288 checks, representing $2,043,241 have gone out to contracting corn and hog producers in Iowa, Michigan, and Minnesota.

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PARTIAL RELEASE OF SEALED CORN

The Commodity Credit Corporation has issued a ruling to permit farmers to make partial payments on loans upon sealed corn and obtain the release, solely for their own feeding purposes, of an amount of sealed corn equivalent to the partial payment made, at 45 cents per bushel, plus accrued interest and insurance charges. All releases are to be made under supervision of an official State sealer, who will then reseal the crib. This action is being taken so that farmers who need corn because of a shortage of pasture and other forms of feed, as the result of drought conditions prevailing in the Corn Belt, may obtain corn for feeding purposes.

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TIME FOR TAGGING COTTON EXTENDED

Under the terms of a regulation signed by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury, cotton harvested and ginned prior to June 1, 1934 may be "transported, sold purchased or opened at any time before July 1, 1934 even though a bale tag is not attached." The extension of time for tagging old cotton was granted upon the recommendation of the Agricultural Adjustment Administration. Such cotton is not subject to the tax imposed by the Bankhead Act on the 1934 crop. Applications for bale tags for cotton produced prior to June 1, 1934, are being prepared and will be dispatched to county agents in the cotton counties within the next week or ten days. When the applications are completed, Government representatives will issue the bale tags and supervise their attachment to the cotton produced and ginned before June 1, 1934.

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CATTLE BUYING STARTS IN DROUGHT AREAS

Purchase of surplus cattle by the Agricultural Adjustment Administration in the most acute drought areas will be carried out in all counties officially designated as "emergency" drought counties. A total of 134 such counties in the Dakotas, Minnesota, Wisconsin, and Texas have been named in the emergency area. Additions will be made as rapidly as necessary. First buying operations started in some counties of Northern States on June 1. The purchase program will be put under way in additional counties of the emergency area as quickly as field machinery can be established. Definite sales price schedules for the various classes of cattle have been established for the initial buying in counties of Northern States in the emergency area. In addition to the sales price, each farmer will receive a contract or "agreement" payment. This agreement payment will be made for the production adjustment involved in the surplus cattle removal and for agreement to participate in future Administration cattle programs, and will not be in payment for the cattle. As such, it will go entirely to the cooperating farmer and will not be subject to liens on cattle sold to the Administration. The proposed sales price schedules for the initial buying are: cattle over two years of age -- $6 to $14 per head; cattle one to two years of age -- $5 to $10 per head; under one year of age -- $1 to $5 per head. In addition, the contract or agreement payments will be at the following rates: cattle over two years -- $6 per head; one to two years -- $5 per head; under one year -- $3 per head. County agents or other representatives of the State drought relief directors for the five States, are serving as county directors for the emergency drought activities. The cattle will be inspected and purchased on the farms. The Federal Emergency Relief Administration will undertake processing and distribution to families on relief rolls of all cattle purchased in the emergency program which can be used for food, and will carry out other special drought relief activities to care for families in the acute drought areas. The Farm Credit Administration is making special effort to extend all possible credit facilities, including feed loans, to farmers in the official drought territory.

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ENCOURAGE PLANTING OF FORAGE CROPS

Further steps to encourage planting of emergency forage crops in the entire area affected by drought were taken by the Agricultural Adjustment Administration in modifying all wheat, corn-hog, and tobacco contracts in every State to remove all restrictions on the planting and harvest of all forage crops, including fodder corn and grain sorghums, on all general or non-contracted" areas on farms under adjustment contracts. Restrictions on the use of the contracted or "rented" acres which have been retired from basic crop production under the contracts, are also modified to permit the planting and harvest of all forage crops except corn and grain sorghums, and to permit pasturing these retired acres and harvesting hay for forage from them. Under the ruling covering general or "non-contracted" land, corn may be planted immediately for forage purposes in all counties in the Dakotas, Minnesota, Wisconsin, Michigan, Montana and Wyoming. Dates after which corn may be planted for forage in other regions will be announced soon. The action in modifying contract planting restrictions supplements plans for purchase of surplus cattle. The forage crop ruling does not affect provisions in any adjustment contract limiting production of the surplus wheat, corn-hog, or tobacco crops. Besides encouraging farmers in drought areas to plant forage for livestock feed to offset drought losses, the step is in line with the Administration's standing program of transfer of lands from grain into grass, so as to reduce surpluses and protect lands against wind or water erosion.

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MILK LICENSE ISSUED FOR LOUISVILLE, KY.

A license for the milk sales of Louisville, Ky., including Jeffersonville and New Albany, Ind., became effective June 1. It contains provisions for established prices to producers, reports from distributors, an equalization pool and an adjustment fund supervised by the market administrator. Prices to producers f.o.b. dealers' plants in Louisville will be as follows on the basis of 4 percent milk: Class 1 milk, $2.18 per 100 pounds; Class 2 milk, $1.65 per 100 pounds; and Class 3 milk, the average quotation for Chicago 92 score butter times the fat test plus 10 percent. Class 1 milk will include only whole milk used in direct consumption. Class 2 milk will include cream and also flavored milk used in chocolate drinks and cream used in creamed cottage cheese and in buttermilk. Class 3 milk is all milk in excess of stated requirements, primarily that used for manufactured products.

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QUAD CITES MILK LICENSE ISSUED

A license for the milk sales area of the "Quad Cities"--Bettendorf and Davenport, Iowa, and Moline and East Moline and Rock Island, Ill., became effective June 1. It seeks to stabilize conditions and increase returns to producers. The license is based on the straight pool plan without the base and surplus system. Under its terms the administrator will compute the blended price based on the total value of milk delivered by producers according to the established schedule and the actual use made of the milk by distributors. The license provides for collection of information from producers regarding their production for the past two and a half years, and with this information the base and surplus may be set up for the entire market. Producers will, under the license, receive $1.60 per 100 pounds for Class 1 milk used in direct consumption, compared to a price well under one dollar per hundredweight during the past year. Class 2 milk used for cream sales will bring producers 3.5 times the average Chicago 92 score butter price, plus 20 percent, plus 20 cents per 100 pounds. Class 3 milk, or that used to produce evaporated milk or ice cream, will be based on the existing price recognized under the evaporated milk agreement schedule, or if that is terminated, the price will be 3.5 times Chicago 92 score butter plus 20 cents plus 10 cents per hundredweight. Class 4 milk, or that in excess of the milk used in the other three classes, will bring producers the straight Chicago butter price plus 10 percent.

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NEW MILK LICENSE FOR LOS ANGELES

The original license for the Los Angeles, Calif., milk sales area was cancelled by the Agricultural adjustment Administration and a new license which became effective June 1 was issued. The old license carried a full schedule of resale prices to consumers and was geared to the surplus milk plant operated by producers, while the new license centralizes its efforts on maintaining producers' prices, is not dependent on the surplus plant, includes the base and surplus market plan with an equalization pool, and adds a limited schedule of minimum prices below which sales by distributors may not be made. The license was accepted by six major associations of producers serving the sales area, which includes all of Los Angeles and Orange counties, part of Riverside and San Branardino counties, and the island of Santa Catalina. The consuming population in the area is about 2,500,000. Prices to producers f.o.b. distributors plants in the sales area are: Class 1 milk, 55 cents per pound of butterfat; Class 2 milk, Los Angeles 92 score butter quotations plus 40 percent plus 12 cents per pound of butterfat; Class 3 milk, Los Angeles butter price plus 40 per cent plus 6 cents; Class 4 milk, Los Angeles butter price plus or minus one-quarter of a cent for each cent that the butter market rises or falls from the 25-cent point, plus 4 cents.

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OFF SHORE SUGAR QUOTAS ANNOUNCED

Sugar quotas determined for Hawaii, Porto Rico, the Phillippines, the Virgin Islands and Cuba were announced by the Acting Secretary of Agriculture. The announcement followed a detailed study by a Cabinet committee designated by the President to assist the Secretary of Agriculture in ascertaining the facts upon which to base his decision as to the quantities of sugar which may be shipped from outside producing areas for consumption in continental United States. This committee was composed of the Secretary of Agriculture, the Secretary of State, the Secretary of War and the Secretary of the Interior. The quotas as determined by the Secretary of Agriculture are: Hawaii, 917,000 short tons, raw value; Poerto Rico, 803,000; Philippines, 1,015,000 Cuba, 1,902,000; Virgin Islands, 5,000. Under the terms of the Jones-Costigan Act relating to the fixing of quotas for the various insular producing areas, the Secretary of Agriculture is required to determine consumption estimates for the calendar year, deduct the statutory quota of 1,810,000 short tons for the continental United States, plus 30 percent of any excess of estimated consumption above 6,452,000 short tons. The Secretary of Agriculture has estimated consumption for the calendar year at 6,476,000 short tons. This excludes syrups and molasses. The total continental allotment was fixed, under the Act, at 1,817,000 short tons, leaving 4,659 short tons for distribution among the islands and foreign countries. A reserve of 17,000 tons was created for subsequent allotment after further study of the facts to full duty countries, leaving 4,642,000 short tons available for distribution among the Islands and Cuba. Sugar imported into continental United States and subsequently re-exported as refined sugar or in manufactured products is not subject to quota restrictions. The allocations were determined by taking the average continental consumption of sugar from the Philippines, Puerto Rico, and Cuba for the years 1931-33, and of Hawaiian sugar for the years 1930-32, and adjusting the average to the available total of 4,642,000 short tons. The Act requires the allocation to outside producing areas be made on the basis of average quantities brought into the continental United States for consumption during such three years in the years 1925-1933, inclusive, as the Secretary of Agriculture deems to be most representative.

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CALIFORNIA RAISIN AGREEMENT AND LICENSE

A marketing agreement and license for packers of California raisins was approved by the Agricultural Adjustment Administration. The agreement, signed by packers handling over 90 percent of the total crop, became effective May 29 while the license for all packers went into effect May 31. Minimum prices specified in the agreement and license for raisins grading standard or better are as follows: Thompson Seedless. 1933 crop, $65 per ton; Thompsgn Seedless, 1934 crop, $70 per ton; Sultana, 1934 crop $65 per ton; Muscat, 1934 crop, $60 per ton.

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HEARING ON COLORADO PRODUCE AGREEMENT

A public hearing on a proposed marketing agreement for fresh peas and cauliflower grown in Colorado will be held at the Pueblo County Court House, Pueblo, Colo., June 7. The proposed agreement seeks to improve returns to producers. It would provide for proration of shipments and allocation for both handlers and growers. The industry in Colorado has experienced rapid expansion since 1923 at a rate of approximately 110 percent a year for cauliflower, and approximately 56 percent a year for green peas. Prices were so low in 1932 that growers found it necessary to leave a large portion of the crop unharvested.

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CHICAGO MILK LICENSE AMENDED

An amended license for the Chicago, Ill., milk sales area became effective June 1. It provides for an increase in Class 1 milk prices to producers f.o.b. distributors' plants for 3.5 percent milk, from $1.75 per hundredweight to $2. The Class 2 price for milk used for cream is changed from a former price of $1.25 per 100 pounds to the Chicago 92 score butter quotation plus 12 cents per pound multiplied by 3.5. Other new provisions are included to meet local needs.

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AMEND BOSTON MILK LICENSE

An amendment to the license for the milk sales area of Greater Boston, Mass., relating to producer-distributors became effective June 1. It provides that all bona fide producer-distributors who do not handle any milk other than that produced on their own farms, may be exempted up to 250 quarts of milk daily from the equalization pool requirements of the license. This exemption will be based on findings of the market adminkstrator in respect to the average amount of Class 1 sales handled by all distributors per retail route. The amended license does not exempt producer-distributors from making required payments toward the office expense in supervising the market. They will still be obligated to make regular reports of their production and sales to the market administrator.

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FOUR NEW ENGLAND MILK LICENSES AMENDED

An increase in the deductions from that portion of the payments to producers going to the market administrator's office, from 1 to 2 cents per hundredweight, for the milk sales areas of Newport and Prividence, R. I. and Fall River and New Bedford, Mass., has been included in amended licenses which became effective June 1. The increase in deductions allocated to the administrator was deemed necessary to meet unforeseen expenses incidental to establishment of proper bases for producers and administration of the license. The increase was requested by the New England Milk Producers Association, the New Bedford and Fall River Milk Producers Association, and the Local Dairymen's Association. The total deduction allowed by the license will be 6 cents per 100 pounds of milk delivered by producers. The administrator's share of the deduction, however, is changed from 1 to 2 cents, leaving four cents per 100 pounds to be used by the producers' association for providing market services and credit protection for producers as in the former license. Clauses in the license permit the market administrator to waive any part of the deduction when the operating costs diminish.

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OMAHA-COUNCIL BLUFFS MILK LICENSE AMENDED

An amended license for the Omaha-Council Bluffs milk sales area became effective June 1. Exemptions from the equalization pool fund equivalent to the average Class 1 and Class 2 sales of milk on retail routes, amounting to 400 pounds of milk daily, are permitted for producer-distributors who handle only milk produced on their own farms. Elimination of considerable rural territory from the sales area in order to simplify administration of the market is also included in the amendment. New producers whose milk comes to the market after the effective date of the amended license must accept Class 3 prices for their milk for approximately three months. This provision replaces the former permit system for new producers. Other additional provisions designed to protect producers more fully are placed in the amended license to make it conform to the more recent licenses issued by the Agricultural Adjustment Administration.

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COTTON TAX BASE SET

A determination of 11.34 cents per pound as the average price of lint cotton at 10 spot cotton markets, as the base for determining the rate of tax on cotton under the Bankhead Act, has been made and proclaimed by the Acting Secretary of Agriculture. Under the Act, the average central market price per pound of basis 7/8 inch middling spot cotton on the 10 spot markets designated by the Secretary of Agriculture, constitutes the base for computation of the tax levied on cotton ginned in excess of the total of 10 million bales of tax-exempt cotton alloted to producing Stages. The rate of the tax is fixed by the Act at 50 percent of the proclaimed price, but in no event at less than 5 cents per pound. The price proclaimed by the Secretary, to be used as a base until a different market price shall be determined and proclaimed, was certified as the average central market price for 7/8 inch middling spot cotton on the following markets, designated under the Cotton Futures Act: Augusta and Savannah, Ga.; Dallas, Houston and Galveston, Texas; Little Rock, Ark.; Memphis, Tenn.; Montgomery Ala.; New Orleans, La.; and Norfolk, Va.

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AMEND ST. LOUIS MILK LICENSE

An amended license for the St. Louis, Mo., milk sales area which slightly increases the Class 1 price of milk and adjusts prices and country station charges so as to obtain a greater use of Class 2 milk for sweet cream purposes, became effective June 1. The Class 1 price for milk to producers is $2 per hundred for 3.5 percent milk, compared to $1.85 in the former license. Country station charges in the first 50-mile zone on Class 1 milk remains at 20 cents per hundred pounds, but the rate on Class 1 milk for each 10 miles beyond the 50-mile zone has been reduced from 2 cents to 1 cent per hundredweight. The f.o.b. price for Class 2 milk has been reduced 5 cents per hundred in the amended license, and station charges on this class within the 50-mile zone are increased 10 cents per hundred, making a total decrease of about 15 cents per hundredweight for Class 2 milk delivered to outlying country plants. Outside distributors are not permitted to dump cream on the St. Louis market at a lower price than they are selling it for in the market nearest the point where the cream is processed, plus transportation charges. This and the Class 2 milk adjustments combine to afford more protection in favor of locally produced cream. Other provisions in the amended license make it conform to recent changes made in licenses for other milk sales areas.

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GROWERS MUST SHARE PAYMENTS WITH TENANTS

Growers of flue-cured tobacco who have signed adjustment contracts on which price-equalizing payments on the 1933 crop are being made, are instructed to divide these payments with share-tenants or share-croppers, under the terms of the contract, regardless of debts or obligations due producers by tenants, according to a decision of the tobacco section announced by the Agricultural Adjustment Administration. To date over $3,051,957 in such payments have been disbursed to growers by the Administration. Under the terms of the contract, price-equalizing payments are to be divided among producers, share-tenants, and share-croppers, in the same proportion as the 1933 crop or the proceeds of the crop were divided, and that such payments are not affected by the existence of any lien, mortgage or debt arising out of the production of the 1933 crop, or otherwise. Such payments, cannot be assigned, but must be placed in the actual possession of the tenant.

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NEWS DIGEST

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Number 1, Volume 36 June 9, 1934

LIVESTOCK CENTERED IN 20 DROUGHT STATES

Numbers of livestock on parched ranges and pastures of drought counties in 20 middle-western and western States are sufficient to provide the United States with nearly half of its annual meat supply and sizeable portions of its yearly milk and wool productions, a study by the Agricultural Adjustment Administration reveals. The Administration faces the difficult task of conserving these important sources of the national food supply and at the same time so adjust production as to bring farm prices to an equitable and profitable level and keep them there. There are 12,268,000 beef cattle, or enough to supply the entire United States with its beef needs for more than six months, pastured in the more than 500 counties covered by the study. The 13,673,000 sheep in this area is equal to more than half the annual United States slaughter. There are 6,071,000 dairy cattle in drought counties, enough to produce more than one-fifth of the national annual milk supply. Swine in the designated counties total 14,155,000, or 20 percent of the annual hog slaughter. There are 3,726,000 horses and 212,000 mules. The States included in the study are Minnesota, North Dakota, South Dakota, Texas, Wisconsin, Colorado, Montana, Oklahoma, Wyoming, New Mexico, Kansas, Nebraska, Arizona, Idaho, Nevada, Oregon, Utah, Illinois, Indiana and Iowa. The Administration already has begun operations for conservation of livestock in more than 200 emergency drought counties in these States.

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CORN AND SORGHUM PLANTING PERMITTED

All restrictions as to dates for planting fodder corn and grain sorghums for forage on general or non-contracted acreage on farms under wheat, corn-hog, or tobacco adjustment contracts have been removed by the Agricultural Adjustment Administration. This action constitutes a further measure to encourage production of adequate forage supplies, depleted by drought. Immediate planting of corn and sorghums on non-contracted acres is now possible in all States by farmers who have signed crop adjustment contracts.

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RELIEF PORK BUYING EXTENDED TO JUNE 15

Buying of hogs for relief purposes on Government account under bids awarded meat packing concerns on May 15 and originally scheduled to end on June 5, has been extended until June 15 in order to lend further support to the hog market through the present period of heavy receipts accentuated by drought, the Agricultural Adjustment Administration announced. Under the original awards by the Federal Surplus Relief Corporation, a maximum of 15,000 head of hogs were purchased daily and processed for relief distrivution. Under the bid extension, purchases will be continued at approximately the same daily rate.

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SECOND WHEAT PAYMENTS INCREASED BY 1 CENT

Increase in the second wheat benefit payments from eight cents, as originally planned, to nine cents per bushel, and plans to rush these payments, totaling more than 30 million dollars to farmers in the next few weeks, were announced by the Agricultural Adjustment Administration. The largest part of the wheat payments will go to farmers in the drought States. Since crop adjustment payments are based on past production averages and are not affected by current crop failure, they serve as farm income insurance and farmers are assured some cash even if drought destroys their crop. The increase of one cent per bushel on the domestic allotment will mean nearly 3½ million dollars more for farms. The first year's payments to cooperating wheat farmers are made in two parts. The second payment of nine cents per bushel on the domestic allotment, supplements the first payment of 20 cents per bushel which was made beginning late last Autumn. The more than 30 million dollars therefore will be added to over 68 million dollars which already has been paid. The second payment of nine cents per bushel is the one from which local costs of administering the wheat program are deductible. Estimates of processing tax collections are sufficient to cover the enlarged second wheat payment.

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COTTON PAYMENTS REACH OVER 11 MILLION

Over 318,000 rental payment checks totaling over $11,836,300 had been mailed by the Agricultural Adjustment Administration to cotton farmers in 16 states who are cooperating in the voluntary cotton adjustment program, the cotton section announced. These checks are part of the estimated 100 milli n dollars that will be sent to cooperating farmers as rental payments for the approximately 15 million acres taken out of cotton production this season. This money will be sent out in two installments totaling 50 million dollars each. The first installment is now being paid. The second installment will be distributed between August 1 and September 30. In addition to rental payments, cotton growers also will receive a parity payment of 25 to 30 million dollars next December. Payments by States are: Alabama, 48,330 checks, $1,349,609; Arizona, 547 checks, $98,547; Arkansas, 25,484 checks, $842,588; California, 1,677 checks, $295,925; Florida, 454 checks, $4,807; Georgia, 59,811 checks, $2,028,096; Kentucky, 60 checks, $1,993; Louisiana, 16,271 checks, $830,306; Mississippi, 18,877 checks, $659,167; New Mexico, 1,442 checks, $158,911; North Carolina, 9,115 checks, $297,454; Oklahoma, 2,318 checks, $124,656; South Carolina, 30,911, $1,052,753; Tennessee, 4,99 checks, $133,115; Texas, 49,993 checks, $2,275,072; Virginia, 841 checks, $21,577.

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KANSAS-MISSOURI POTATO PACT HEARING

A public hearing on a proposed marketing agreement for potatoes grown in Kansas and Missouri will be held at the Hotel Kansas Citian at Kansas City, Mo., June 15. The proposed agreement seeks to maintain reasonable returns to growers through proration of shipments. Provisions would also be made for regulating the amount of shipments during any period of the shipping season. The agreement would be applicable to a coordinated system of marketing agreements for the potato industry, should agreements for other areas be developed.

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REGIONAL DIRECTORS FOR LAND USE POLICY

Appointment of regional directors of the Agricultural Adjustment Administration's land policy section, and designation of nine regions into which the country has been divided for the development of a land use program has been announced. The States included in the nine regions, the regional directors and their Headquarters are: Region I. New England States, New York, Pennsylvania, New Jersey, Maryland, Delaware, Director; A. W. Manchester, Connecticut State College, Storrs, Conn. Region II. Michigan, Wisconsin, Minnesota. Director; Noble Clark, Wisconsin Agricultural Experiment Station, Madison, Wisconsin. Region III. Ohio, Indiana, Illinois, Iowa, Missouri. Director; L. A. Schoenmann, Temporary Headquarters, State Department of Conservation, Lansing, Michigan. Region IV. Virginia, West Virginia, Kentucky, Tennessee, North Carolina. Director; Carl C. Taylor, Washington, D. C. Region V. South Carolina, Georgia, Alabama, Florida, Director; W. A. Hartman, State College of Agriculture, Athens, Georgia. Region VI. Mississippi, Louisiana, Arkansas, Oklahoma, Texas. Director; R. L. Thompson, State Agricultural Experiment Station, Baton Rouge, Louisiana. Region VII. North Dakota, South Dakota, Nebraska, Kansas, Montana, Wyoming, Director; S. E. Johnson, Nebraska Agricultural Experiment Station, Lincoln, Nebraska. Region VIII. Washington, Oregon, Idaho. Director; R. E. Willard, State Agricultural Experiment Station, Pullman, Washington. Region IX. California, Nevada, Utah, Colorado, New Mexico, Arizona, Director; P. V. Cardon, State Agricultural Experiment Station, Logan, Utah. The regions were designated with a view to grouping areas in which there is general similarity of land use problems so that a long-time program of land utilization can be readily put into effect. Such a program is being developed in connection with the work of the program planning division of the Agricultural Adjustment Administration, of which the land policy section is a part. The regional directors are initiating preliminary investigations for a definite program of land utilization in each of the regions, and are aiding the agencies in the several states in finding new opportunities for farmers who may desire to leave sub-marginal land, and in working out problems involved in utilization of such land. The services of the directors also have been loaned to the sub-marginal land committee which is directing the expenditure of 25 million dollars appropriated through the Federal Surplus Relief Corporation for Government acquisition of sub-marginal land.

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LICENSE AND AGREEMENT FOR DATE INDUSTRY

A marketing agreement for the California date industry became effective June 8, and a license for the industry will become effective June 11. Under the marketing plan provided for the California date industry, shippers will elect a control committee with authority to establish a schedule of minimum prices which will, on the basis of market factors, allow such quantities of dates to be sold as will bring the largest returns to growe4s. The Committee will present estimates of the quantities of dates to be marketed and the minimum prices of dates to be sold in an ensuing month. The Secretary of Agriculture will have the privilege of adjusting these prices if necessary. There is no provision for surplus control in the agreement; growers are expected to benefit from the stabilization of the market conditions and the elimination of destructive price competition.

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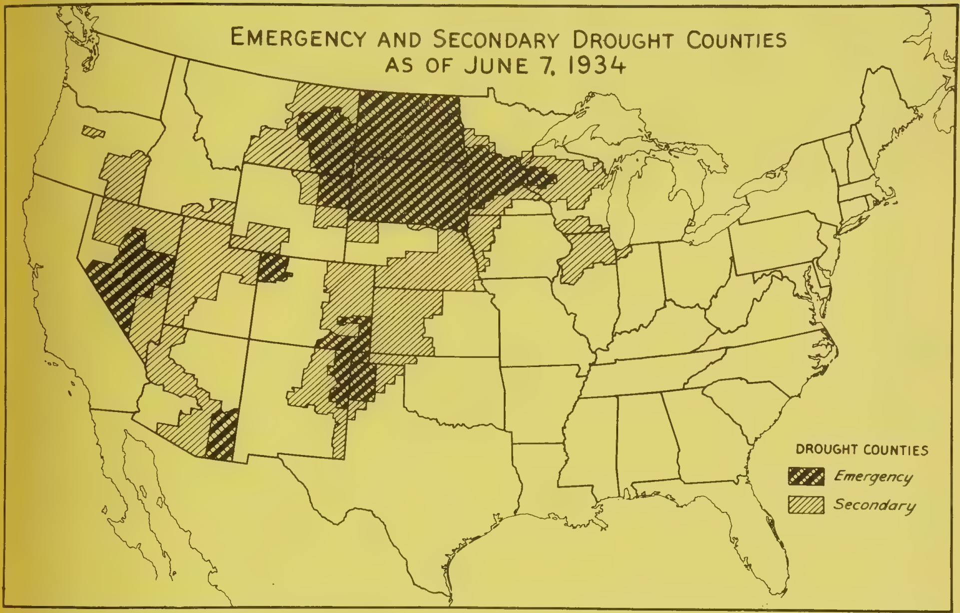

With prolonged drought conditions aggravated by the cumulative effects of deficient precipitation in some sections for several years, the Agricultural Adjustment Administration's drought relief measures are being expedited to meet the urgent needs of the drought-stricken areas. The Administration's program is largely centered in the "emergency" drought areas shown on the above map where an acute feed and water shortage exists. Surplus cattle are being bought in these areas. Other measures of relief for these areas as well as for those sections designated as "secondary" drought areas, include modification of crop adjustment contract provisions and reduction of 33 to 50 percent in regular freight rates on hay, coarse grains, livestock feed, and livestock shipments to and from grazing areas. The "emergency" drought area where surplus cattle are being bought includes 206 counties in 12 states on June 7. This program is designed to remove distress cattle. Resulting meat products will be distributed for relief uses.

GINNERS AGREEMENT HEARINGS IN 12 AREAS

Additional hearings will be held in 12 different areas in the Cotton Belt on the proposed amended marketing agreement for the cotton ginning industry. The new hearings, continuations of the public hearing held in Washington in May, are to acquaint the cotton growers and gin operators with proposed terms and conditions of the marketing agreement as suggested by the State associations Belt areas will be obtained so that a further study of maximum charges to growers may be made. The hearings will be held as follows: Dallas, Tex., June 11 - For all of Texas with the exception of the Upper Rio Grande and irrigated sections of Texas. El Paso, Tex., June 14 - For New Mexico and the Upper Rio Grande and irrigated sections of Texas. Vicksburg, Miss., June 15 - For Mississippi and Louisiana. Phoenix, Ariz., June 18 - For Arizona. Montgomery, Ala., June 18 - For Alabama. Los Angeles, Calif., June 21 - For California. Atlanta, Ga., June 21 - For Georgia and Florida. Columbia, S. C., June 25 - For South Carolina. Little Rock, Ark., June 26 - For Missouri, Illinois and Arkansas. Memphis, Tenn., June 29 - For Tennessee and Kentucky. Raleigh, N.C., June 29 - For North Carolina and Virginia. Oklahoma City, Okla., June 2 - For Oklahoma. Gin operators, cotton growers and others who desire to testify are requested to do so at the particular hearing ordered for their respective districts.

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REVISE PAPER TAX REGULATIONS

A revision of paper regulations, Series 1, which restricts the definition of gummed paper tape as used in connection with the levy of compensatory taxes on paper, has been announced by the Agricultural Adjustment Administration. The revision is effective as of December 1, 1933. Originally the regulations defined gummed paper tape, subject to the compensating tax of 4.6 cents per pound weight on first domestic processing, as that less than two inches in width. The revision restricts this definition to mean "gummed paper tape, commonly known as parcel or package sealing tape, one surface of which is covered with gum or other adhesive material; made from paper of more than 25 pounds weight basis and not more than 80 pounds weight basis (25 inches by 36 inches--480 sheets to the ream before gumming) having a tensile strength of more than 25 pounds pull to finish width; processed for ultimate distribution in ribbon form, more than one-half inch but less than 2 inches in width, in rolls from 2 inches to 9 inches in diameter, including cores; with perforation or couponing, if any, not less than 12 inches apart." The revised definition exempts telegraph tape, gummed labels, stay paper and veneer tape and tapes for uses other than sealing parcels and packages, from payment of the compensating tax.

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PROCESSING TAX ON SUGAR SET

Regulations fixing one-half cent per pound of raw value, the rate of the processing tax on direct-consumption sugar from the first domestic processing of sugar beets and sugarcane and setting forth definitions, conversion factors, and exemptions from the tax, have been issued by the Acting Secretary of Agriculture, with the approval of the President. The amount of the processing tax is equal to the reduction in duty on Cuban sugar, which went into effect simultaneously with the processing tax on June 8. Syrup of cane juice, or molasses, manufactured by a producer whose total seasonal sales are not more than 200 gallons, is exempted from payment of the processing tax. In the case of a producer who sells more than 200 gallons, but less than 500 gallons, the syrup will be exempt from the tax to the extent of 200 gallons, with the balance taxed. If the producer sells more than 500 gallons he is entitled to the exemption.

MARKETING AGREEMENTS AID CALIFORNIA

Producers of fruits, nuts, and vegetables in California, where some of the first Agricultural Adjustment Administration marketing agreements went into effect last year, are planning this season to sell approximately 85 percent of their crops under agreements. This movement toward a more orderly marketing system was given impetus by the results of the first marketing agreements in effect in California in 1933. Producers directly attributed to these agreements an increase in farm value of approximately $5,500,000 for the products covered by them. These products included cling peaches for canning, fresh deciduous tree fruits. Tokay grapes, and walnuts. In addition, marketing agreements for ripe olives, California and Arizona citrus fruits (organges and grapefruit), asparagus, and raisins are now in effect. Other marketing agreements are in the process of being developed.

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HEARING ON LINSEED OIL CODE PROTESTS

A public hearing to secure information to be used by the code administration committee of the linseed oil manufacturing industry in determining the allocations of flaxseed to be crushed by the members of the industry will be held at the Figueroa Hotel in Los Angeles, Calif., on June 12. The hearing will consider testimony on several protests filed with the code administratiove committee and with the Secretary of Agriculture alleging that proposed allocations were unfair and contrary to the public interest.

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COLORADO PEACH AGREEMENT HEARING

A public hearing on a proposed marketing agreement for the growers and handlers of Colorado peaches will be held June 12 and 13, at the Mesa County Court House, Grand Junction, Colo., it was announced today by the Agricultural Adjustment Administration. The proposed agreement seeks to maintain returns to growers through a system of proration of shipments and establishment of minimum prices.

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HEARING TO AMEND WALNUT AGREEMENT

A public hearing on proposed amendments to the marketing agreement and license for packers of walnuts grown in California, Oregon and Washington which became effective on October 11, 1933, will be held in Berkeley, Calif., June 18. While 38 individual amendments have been proposed for consideration at the hearing, they would not change the fundamental principales of the agreement.

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NEWS DIGEST

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Number 1, Volume 37 June 16, 1934

CORN-HOG PAYMENTS NEAR 5 MILLION MARK

The first block of checks to be disbursed on regular corn-hog contracts were written for producers in Lyon County, Nev., and were for $9,306 representing 101 contracts. A total of 2,815 regular contracts have now been received and listed for payment. Meanwhile, disbursements of checks on the "early payment" contracts which carry the producers' advance acceptance of necessary adjustments, is going forward and has now reached a total $4,803,050. Checks on "early payment" contracts have been distributed to producers in Missouri, Minnesota, Iowa, Virginia, Michigan, South Dakota, Maryland and Indiana. The grand total of the first installments on all contracts will reach approximately $130,000,000. The writing of the first batch of checks on regular contracts from Nevada, and the prospective disbursement on additional contracts from several other states marks the beginning of the long-awaited flood of corn-hog adjustment payments to the producers of this country.

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MILK PRICES INCREASED IN TWO LICENSES

Owing to drought conditions, milk producers in the sales areas of Omaha-Council Bluffs, and Des Moines, Iowa, have been granted increased prices in amended milk licenses issued by the Agricultural Adjustment Administration. The increases became effective June 16. Des Moines milk producers received an increase amounting to 40 cents per 100 pounds for Class 1 milk testing 3.5 percent f.o.b. distributors' plants, 10 cents more per 100 pounds of Class 2 milk, and 5 cents on Class 3 milk. For Omaha-Council Bluffs, the price for 3.5 percent milk f.o.b. city plants, has been increased from $1.60 to $2 per 100 pounds.

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ABATE TAX ON LARGE SIZE BAGS

A certification and the necessary proclamations which will abate the processing tax on large sized cotton bags, terminate the compensating tax on jute fabric used in the manufacture of large jute bags and terminate the compensating tax on paper used in the manufacture of large paper bags, have been signed by the Secretary of Agriculture. In addition the compensating rate of tax on paper used in the manufacture of paper towels was reduced and the compensating tax on paper fabric used in the manufacture of open mesh paper bags was adjusted by a modification in their definition. Regulations concerning the tax changes may be had from the Agricultural Adjustment Administration.

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WATERMELON AGREEMENT TENTATIVELY APPROVED

A marketing agreement for the watermelon industry in Florida, Georgia, South Carolina and North Carolina, has been tentatively approved. The agreement seeks to increase returns to growers through regulation of the volume of shipments to bring them more closely in accord with demand.

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RELIEF CATTLE BUYING INCREASES

More than 100,000 cattle have been purchased in Minnesota, the Dakotas, and Wisconsin under the low grade surplus cattle removal program which is being carried out in the emergency drought areas by the Agricultural Adjustment Administration. The majority of these cattle have already been turned over to the Federal Emergency Relief Administration for processing and distribution for relief purposes, and many carloads have been shipped out of the drought areas. While definite statistics are not yet available, reports show that only a small percentage of the cattle inspected and appraised have been condemned for disposition on the farms as unfit for food use. Buying started in Wisconsin on June 11 under the removal program. Thousands of cattle are being inspected and appraised in States of the emergency drought areas as the first step in the purchase program, which is being extended to all States in the acute regions as rapidly as the buying machinery can be placed in operation.

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ACT TO ENFORCE POULTRY CODE

Action to enforce the provisions of the live poultry code for the New York metropolitan area will be taken by the Agricultural Adjustment Administration. Investigators and several auditors have been sent to New York to investigate and develop evidence in regard alleged violations of the following provisions of the code: sale of inedible products, rebates, destructive price-cutting, price discrimination, misrepresenting produce, excessive feeding, straight killing, illegal sales, price misrepresentation, and unlawful combinations.

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MAY REQUEST COTTON TAGS AFTER JUNE 15

Applications for identification tags for cotton ginned before June 1, 1934, which is exempt from the tax provisions of the Bankhead Act, will be received after June 15, the Agricultural Adjustment Administration announced. In a previous announcement, holders of old cotton were asked to make these applications prior to June 15. Applications may be made by letter or on the Government form either to the county agent's office or to the director of cotton tagging, Agricultural Adjustment Administration.

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PRUNE AGREEMENT HEARING JUNE 19

A public hearing a proposed marketing agreement for the dried prune industry of California will be held at the Palace Hotel, San Francisco, Calif., on June 19. The proposed agreement seeks stabilization of the market for prunes through limiting the tonnage that prune packers or handlers may purchase direct from growers.

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FLOUR MILLERS CODE APPROVED

A code of fair competition for the wheat flour milling industry was approved by the President and became effective June 13. The code prohibits unfair methods of competition, sets forth provisions governing flour sales contracts, and sets a minimum conversion charge for flour sales. This latter provision was suspended and may be invoked only if and when the Secretary of Agriculture finds that there exists in the industry an emergency requiring its application. Unfair methods of competition prohibited by the code include giving of rebates, paying of commission to buyers, waiving of carrying charges, guarantees against price declines, quoting of fictitious prices, and making of sales beyond a definite time limit without charging storage.

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CIGAR TOBACCO AGREEMENT APPROVED

Growers of cigar-leaf tobacco of the stemming grades are assured of prices approximately 100 percent higher than prevailed last season for 18,500,000 pounds of their holdings of tobacco by a marketing agreement approved by the Agricultural Adjustment Administration. Bloch Brothers Tobacco Company, Liggett and Myers Tobacco Company, P. Lorillard Company, and Scotten-Dillon Company are signatory to the agreement, which became effective as of December 1, 1933. The agreement applies to tobacco produced in New York, Pennsylvania, Ohio, Indiana, Minnesota, Wisconsin, Connecticut, Massachusetts, New Hampshire and Vermont. The prices specified in the agreement are almost twice those prevailing last year, and approximately 50 percent higher than prices paid this season before the first conferences with buyers were held in the development of the agreement. From December 1, 1933 to June 30, 1934, the contracting firms have agreed to buy at least the amount of tobacco specified at prices not less than the following: six cents per pound for 1933 tobacco purchased direct from growers; six and a half cents per pound for 1933 tobacco bought from cooperative marketing associations; seven cents per pound for tobacco of crops prior to 1933, not stored in a tobacco warehouse, if purchased from growers, or seven and a half cents per pound if purchased from cooperatives; eight cents per pound for tobacco of crops prior to 1933, stored in a warehouse, if purchased from growers, and eight and a half cents if purchased from cooperatives.

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CALIFORNIA APPLE PACT TENTATIVELY APPROVED

A marketing agreement for the California Gravenstein apple industry has been tentatively approved by the Agricultural Adjustment Administration. The agreement proposes improved returns to growers through control of the movement of the crop to both export and domestic markets. It is being submitted to members of the industry for their signatures. The Gravenstein apple industry has suffered from extremely wide fluctuations of prices to producers, as prices have ranged from $1.96 per box in 1925 to as low as 17 cents per box in 1932. In 1933 the price was 34 cents per box. Over 1,172,000 boxes of this variety of apples moved into trade channels in 1933.

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WASHINGTON PRODUCE PACT BEING SIGNED

A marketing agreement for fresh lettuce, peas and cauliflower grown in Western Washington, has been tentatively approved by the Agricultural Adjustment Administration. It has been sent to shippers for their signatures. The agreement seeks to improve returns to producers of vegetables in the Western Washington area during the present season and in subsequent seasons by a system of proration of shipments among the handlers of these products.

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HEARING TO AMEND WALNUT AGREEMENT

A public hearing on 37 proposed amendments to the marketing agreement and license for packers of walnuts grown in California, Oregon and Washington, will be held in Berkeley, Calif., June 18. The proposed amendments would not change the fundamental principles of the agreement. Four of the amendments are designed to extend the minimum price and surplus control provisions to all merchantable walnuts including "orchard-run", whether sold in the current or interstate or foreign commerce, or in intrastate channels which in any manner burden such interstate and foreign commerce.

CONFER WITH DAIRYMEN ON DISEASE CONTROL

Administrative features and allotments of available funds from the Federal Government as authorized by the Jones-Connally Act, to be in part expended for the testing and elimination of cattle infected with tuberculosis and Bang's disease, were discussed in a special conference held June 14 by the Agricultural Adjustment Administration and the Bureau of Animal Industry. State regulatory officials, veterinary specialists, and representatives of leading regional producers' associations attended the conference. Out of the facts presented at the conference the administrators of the work will direct their efforts at once to formulate a suitable budget allotment of the funds so that field work may start soon.

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HIGHER MILK PRICE FOR DETROIT PRODUCERS

The license for the Detroit, Mich., milk sales area was amended to increase the f.o.b. price to producers for Class 1 milk from $2.02 per 100 pounds of 3.5 percent milk to $2.25, the Agricultural Adjustment Administration announced. This is an increase of 23 cents per hundred weight or about one-half cent per quart to producers. The price increase will become effective on June 17 at 12:01 A.M.

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HEARING AT TOPEKA OF MILK AGREEMENT

A public hearing on a proposed milk marketing agreement for Topeka, Kan., will be held June 20 at the City Hall in Topeka. The agreement was proposed by the Topeka Milk Producers Association, claiming to represent 75 percent of the producers supplying the area. The agreement is sought to restore order in the market and to secure an increased price to producers. The proposed agreement has an equalization pool without the base and surplus plan, together with adjustment fund provisions for distributors and deductions from producers to pay the expense of supervision by a market administrator, to be named by the Secretary of Agriculture after consultation with agencies on the market.

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MILK AGREEMENT HEARING AT SAVANNAH

The Agricultural Adjustment Administration will hold a hearing on a proposed milk marketing agreement for the sales area of Savannah, Ga. on June 25 in the U. S. Post Office Building, Savannah. The agreement is proposed and supported by the Better Milk Cooperative League of Savannah, comprising a majority of the volume of milk supplied to the area by shippers and producer-distributors. The sales area includes about 90,000 people.

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ST. JOSEPH, MO., MILK AGREEMENT HEARING

A public hearing on a proposed milk marketing agreement for St. Joseph, Mo., is to be held June 18 in the Federal Building at St. Joseph. The hearing was requested by the St. Joseph Milk Producers Association and other agencies on the market. Recent prices to producers have not averaged higher than $1.45 per 100 pounds of milk. The market has a large number of producer-distributors of raw milk, whose output comprises about 55 percent of the total volume. The proposed agreement includes the base and surplus plan with an equalization pool and an adjustment fund for distributors. The sales area includes about 150,000 population.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 38. June 23, 1934

FARM PRODUCTS' BUYING POWER HAS INCREASED 25 PER CENT

Purchasing power of farm income in the first nine months during which benefit payments were distributed has been 25 percent higher than in the same period of 1932-33, Farm prices, including benefit payments on the domestically consumed portions of the original basic commodities had an average exchange value in May 1934, 30 percent higher than in May of 1933, and 60 percent higher than in March, 1933, as shown in an analysis by L. H. Bean, agricultural economic advisor. From August 1933 to April 1934, farm cash income totalled $4,199,000,000 as compared with $3,033,000,000 in the nine-month period from August, 1932, to April, 1933. Cash income was 38 percent larger. Allowing 11 percent for the higher costs of commodities and services farmers purchased, the net increase in purchasing power was approximately 25 percent. Benefit payments contributed nearly one-fifth. The farmers' purchasing power has increased more than the purchasing power of the country as a whole, Mr. Bean pointed out. In the first four months of 1934, the total national money income was about 20 per cent higher than it was in the corresponding period of 1933, but the cost of living for the country as a whole increased 8 percent, leaving a net increase of 12 percent in national purchasing power. Farm purchasing power for the same periods increased 28 percent net. The purchasing power of farm income, rather than the price per unit, is the real measure of farm progres, Mr. Bean said. Prices of the seven original basic commodities averaged 51 percent of the pre-war level in March, 1933, and 76 percent of the pre-war level in May, 1934. However, when benefit payments are added, the average price on the domestically consumed portion for the cooperating producers in May, 1934, was 100 percent of the pre-war level, as compared with 66 percent in May, 1933. Prices paid by farmers in May, 1934, were 21 percent above the pre-war level. Making allowances for this increase, the purchasing power of these basic commodities was about 83 percent of the pre-war level in May, 1934. In other words for the domestically consumed portion of these crops, the cooperating farmers have received and will receive improvement in the exchange value of basic commodities which is about two-thirds of the parity standard.

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MAY HARVEST GRASS SEED ON CONTRACTED ACREAGE

Harvesting of seed from pasture and meadow crops on land contracted or rented under adjustment contracts for wheat, corn-hogs or tobacco, is now permitted by recent modifications announced by Victor Christgau, assistant Agricultural Adjustment Administrator. The interpretation of the rulings specifies that seed harvests from rented acres of timothy, red top, orchard grass, blue grass, meadow fescue, brome grass, crested wheat grass, clover, alfalfa, sweet clover, lespedeza and similar pasture crops are allowed under the contract modification. This does not include soybeans, cow peas, field peas, peanuts, sorghums and similar grains. The interpretation was made in view of reduced supplies of seed and unfavorable conditions of pasture and meadow grasses for this season's seed harvest.

ANNOUNCE COUNTY QUOTAS OF TAX-EXEMPT COTTON State and county quotas of cotton which may be ginned without payment of the tax imposed by the Bankhead cotton production control act have been announced in a proclamation by Secretary of Agriculture Henry A. Wallace. Quotas are calculated in pounds, as tax-exemption certificates to producers for their share of the exempted production will be issued on that basis. County agents in all cotton-producing counties have received complete information as to the county quota and the data from which they were computed. Quotas have been determined for about 1,000 counties in 19 states. The total county quotas for any particular state represent 90 percent of the total allotment to the State as the Act provides that not more than 10 percent of each State's allotment shall be reserved for producers: (1) On farms where less than one-third of the cultivated land has been planted to cotton during preceding three years; (2) On farms not previously in cotton production; (3) On farms where for preceding five years production has been abnormally reduced by drought, flood, storm, insects, or other uncontrollable natural causes; (4) On farms where during preceding three years cotton acreage has been voluntarily reduced so that reduction is greater than would have been equitable to such farms. This reserve will be apportioned on the basis of established facts in each case. The quotas were established using the five-year period 1928-32 as the base after an exhaustive study and with consideration of the effect of unusual natural conditions, as specified in the Act. "It should be emphasized that any change from the quotas as announced that would increase the quota for any county would also represent a decrease in other counties in the same state," said Cully C. Cobb, chief of the cotton section. "No appeal could be entertained except by evidence and published records so convincing as to indicate that an injustice has been done." The quotas will become final upon July 6 unless a change is justified. Producers will be required to submit applications for their allotments of tax-exempt cotton to their county committee. Blanks for these applications will be in the hands of county committees within the next few days. State quotas totalling 10,460,251 bales, in terms of 478-pound bales, as revised June 14 are: Virginia, 15,211,200 pounds, 31,823 bales; North Carolina 252,715,200 pounds, 528,693 bales; South Carolina, 287,-856,000 pounds, 602,209 bales; Georgia, 418,084,000 pounds, 874,654 bales; Florida, 11,798,400 pounds, 24,683 bales; Illinois, 328,500 pounds, 687 bales; Kansas, 180,500 pounds, 378 bales; Kentucky, 3,057,400 pounds, 6,396 bales; Tennessee, 161,145,600 pounds, 337,125 bales; Alabama, 422,731,200 pounds, 884,375 bales; Mississippi, 525,192,000 pounds, 1,098,728 bales; Louisiana, 250,963,200 pounds, 525,028 bales; Texas, 1,547,539,200 pounds, 3,237,530 bales; Oklahoma, 374,097,600 pounds, 782,631 bales; Arkansas, 455,376,000 pounds, 952,699 bales; New Mexico, 300,446,400 pounds, 63,695 bales; Arizona, 43,276,800 pounds, 90,537 bales; California, 100,000,000 pounds, 209,205 bales; Missouri, 100,000,000 pounds, 209,205 bales.

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ALLEGED VIOLATIONS LICENSE FOR EVANSVILLE GET HEARING Public hearings on alleged violations of the license for the Evansville, Ind., milk sales area will be held June 27 and 28 by the Agricultural Adjustment Administration. On June 27 a hearing will open on the bases of the American Dairy Co., and that of Adam Rouger, doing business as Breezy Heights Dairy. Alleged violation of the license by Harry B. and Clarence Anderson, of the Maple Hill Dairy, Newburg, will come to hearing on June 28.

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AMENDMENTS MADE EFFECTIVE
CALIFORNIA DECIDUOUS LICENSE

Amendments to the license for shippers of fresh California deciduous tree fruits have been effected to bring the license in line with other agreements drafted since its effective date. The first of the amendments will enable the proration committee for the industry to verify reports on quantities of fruits available for shipment. Another advances the double deduction for excess shipments during one proration period from the second succeeding period to the first succeeding period to prevent derangement of the shipping program. The third amendment grants to the supervisory committee general powers of immunity in order to protect the liability of individual members of the Committee.

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DROUGHT RELIEF
PLANS WIDENED

With patchy June rains relieving, but not breaking the drought, the Agricultural Adjustment Administration's official drought areas have been widened to include 869 counties in 22 states, as of June 22. Of these counties 310, in 16 states, were in the "emergency" group, and 559 were in the "secondary" group. California was added to the list of drought states during the week when 10 of its counties were designated as emergency areas, and four were classed as secondary. Buying operations in the emergency removal program for surplus low-grade cattle have been extended, with latest reports showing that about 200,000 cattle have now been purchased in the most acute sections of the Dakotas, Minnesota, and Wisconsin. Inspection and appraisal work is under way in other states, with purchasing to follow as rapidly as the machinery can be established to carry out the program. Beef which can be used for food is being turned to the Federal Surplus Relief Corporation for distribution for relief purposes. Preliminary work is being done on problems related to direct relief, emergency credit facilities, feed and maintenance for foundation herds, planned land utilization in drought areas, and safeguarded seed supplies for future planting.

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SOUTHEASTERN POTATO PACT
GIVEN TENTATIVE APPROVAL

A marketing agreement for the early potato industry in Florida, Georgia, South Carolina, North Carolina, Virginia, and Maryland is now being sent to contracting shippers for their signatures, having been tentatively approved by the Secre- Agriculture. The agreement seeks to maintain fair and reasonable returns to growers through a system of regulation of the volume of shipments. It is intended to become effective for all districts for the 1935 crop, but is so worded that those districts wishing to use the proration principal for this years crop may do so by signing the agreement. The agreement may become part of a national system of proration for the potato industry, if agreements for other areas are developed and a National coordination arrangement are set up.

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MILK HEARING SET
FOR PHOENIX ARIZ. AREA

A hearing on a proposed milk marketing agreement for the sales area of Phoenix, Ariz., including portions of other precincts in Maricopa county with a total population of 65,000, will be conducted at Phoenix on July 3 at the United States Indian School. The base and surplus plan with an equalization pool without country stations and minus resale prices in any form is submitted for hearing. No definite schedule of prices payable to producers by distributors is included in the tentative draft of agreement, although it will be eventually on the butterfat basis when finally developed at the hearing.

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FIVE SALES AREAS GET MILK HEARINGS

Hearings on proposed milk marketing agreements for the sales areas of Dallas, Fort Worth, and Cleburne, Texas, Fresno, Calif., and Augusta, Ga., have been scheduled. The hearing at Fort Worth will take place on June 28 and adjourned hearings may be held at Dallas to complete the evidence for agreements. The combined population of the entire sales area for the agreement as proposed by the Natural Milk Producers Association of Tarrant county and the Fort Worth Cooperative Food and Dairy Council, includes about 550,000 people. The base and surplus market plan with equilization pool is contained in the agreement. Schedules of producers' prices will be developed at the hearing. The Augusta hearing will be held at the county court house in June 28, to consider an agreement submitted by the Georgia-Carolina Wholesale Milk Producers Asociation for a sales area with 67,000 population. Price schedules will be developed at the hearing. The Fresno hearing will also open on June 28 at the Holland building, to consider an agreement sponsored by the Fresno Milk Producers, Inc., There are over 6 million pounds of butterfat produced in a year in the San Joaquin valley, of which 650,000 pounds finds its way into the Fresno fluid milk market. The equilization pool plan is included in the tentative draft of the agreement.

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CITRUS INDUSTRY CONSIDERS NATIONAL PRORATION PLAN

National stabilization committees representing the citrus fruit areas of California, Arizona, Texas and Florida, are now investigating the advisability of a national proration plan, and have requested the Agricultural Adjustment Administration to continue the collection and interpretation of economic and market data regarding both oranges and grapefruit. The committees, one representing the orange industry and the other the grapefruit industry, met in Washington June 18 and 19. Plans to elect a national coordinator for the industry were deferred pending further investigation and a report by the two committees. The citrus fruit industry of Puerto Rico has also considered taking part in any national proration plan.

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THREE MILK AGREEMENT HEARINGS IN OHIO VALLEY

Hearings on proposed milk marketing agreements have been scheduled for three Ohio valley cities during the first week in July, as follows: Huntington, W. Va., at the Cabell county court house on July 2. Parts of the sales area lie in the three states of Kentucky, West Virginia and Ohio; Charleston, W. Va., at the Kanawha county court house on July 3. The milk supply for this area is drawn from West Virginia with the cream supply coming from Ohio farms. The base and surplus plan with equilization pool and no country stations is embodied in the proposed agreement, which has no tentative schedule of prices to producers. For the Steubenville-Wheeling sales area agreement, a hearing will be held in the Assembly room, Chamber of Commerce, Market auditorium, Wheeling, on July 5. The market plan proposed is the base and surplus with an equilization pool, and no price scheduls are contained in the tentative draft for the hearing. Copies of the proposed agreements may be obtained from the office of the Chief Hearing Clerk, United States Department of Agriculture, Washington, D. C.

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EL PASO MILK AGREEMENT TO PUBLIC HEARING JULY 9

Public hearing on a proposed milk marketing agreement for the sales area of El Paso, Texas, will be held July 9 at the El Paso court house. The first draft of the proposed agreement does not contain prices to producers, and this and other details affecting both producers and distributors will be considered at the hearing.

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SUSPEND CONSIDERATION GEORGIA PEACH AGREEMENT

Consideration of a proposed marketing agreement for the Georgia peach industry has been suspended for the current shipping season at the request of the Georgia Peach Growers' Exchange and the growers' committee appointed by the industry to submit the agreement. Growers have indicated, however, that the proposed agreement has stimulated interest in an agreement for the 1935 crop.

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AMEND CITATIONS AGAINST TWO CALIFORNIA FIRMS

Amendments to original orders to show cause for violations of the original milk license for Los Angeles have been issued by the Secretary of Agriculture against the Colnbrook Creamery Corporation, Inglewood, and Earn Brunner, doing business under the name of the Mayfair Creamery, Torrence, Calif. The amendments include specific charges that the violated provisions of the former license are made part of the new license, effective June 1, 1934, and the companies are now charged with violating the new license because of alleged unfulfilled obligations arising under the former license.

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"SHOW CAUSE" ORDERS TO FOUR MILK FIRMS

Order to show cause why their licenses to distribute milk in the Los Angeles, Calif., sales area should not be suspended or revoked were sent June 16 to Joseph R. Bahan, South Gate; R. J. Willis, San Berdardino; Ralph O. Hill, North Hollywood; and H. S. O'Brien, Pasadena, for alleged failure to settle outstanding requirements and obligations under the former milk license for that area. Outstanding requirements of the former license are made part of the existing license, which became effective June 1. The unfulfilled obligations charged are: Failure and refusal to file required reports with the Milk Industry Board; purchase of milk from producers without their authority to make the required deductions; failure and refusal to make required payments to the fund for mutual market services, and neglect of payment of sums due Milk Producers, Inc., for difference between base and adjusted milk price to equialize the surplus or manufactured milk burden to all alike on the market.

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RICE AGREEMENT AMENDMENTS TO PUBLIC HEARING JUNE 25

A public hearing will be held at Lake Charles, La., on Monday, June 25, for consideration of a proposed amendment to schedule 1 of the marketing agreement for the Southern Rice Milling Industry. The amendment relates to price differentials from the minimum price for No. 1, Prime A, milling quality of various varieties of rice. Other proposed amendments as to prices, practices and conditions in rice distribution will also be considered.

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PHILIPPINE ISLANDS REACH SUGAR QUOTA

The Bureau of Customs was advised on June 21 by the Secretary of Agriculture that the sugar brought into the United States from the Phililpine Islands had reached 1,015,185 short tons, the full quota of sugar imports alloted to that producing area for the calendar year of 1934 under terms of the Jones-Costigan act. Further clearance of any sugar in 1934 for consumption in this country from the Philippines is prohibited. Sugar which may be in transit will be placed under bond on arrival at customs ports. Sugar producing areas other that the Philippines for which quotas have been fixed by the Secretary are Puerto Rico, Hawaii, Cuba and other foreign countries. None have so far exceeded their quota.

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HIGHER PRODUCER PRICES IN OKLAHOMA CITY LICENSE

Distinct increase in price levels to milk producers are assured producers through a milk license which became effective for the Oklahoma City, Okla., sales area, on June 16, as prevailing prices to producers during the past year have ranged from 40 to 65 cents per hundred pounds of milk under Class 1 milk price established in the license. The license, the first to be completed in Oklahoma, will be supervised by John S. Malone, formerly with Oklahoma A. & M. college, who has been appointed market administrator. The license contains a simple equalization pool plan without any base or surplus system, and establishes prices to producers for milk, with a limited schedule of minimum resale prices, below which sales to consumers cannot be made. The minimum resale price is important for this area, as about 40 percent of the sales are by producer-distributors, with the balance handled by pasteurizing plants supplied by about 1600 members of the O. K. Cooperative Milk Association and 300 non-member producers.

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ENTRY REGULATIONS FOR SUGAR ANNOUNCED

General regulations governing the entry of sugar through customs ports into the continental United States have been signed by Secretary of Agriculture Wallace and approved by President Roosevelt. They forbid the importing of sugar except through customs ports of entry. The Collectors of Customs, under the regulations, shall not permit any sugar to enter the country unless proof is furnished as to the origin of the sugar, type of the sugar, whether the sugar is for consumption or re-export, and the allotment under which the sugar is imported. Also, collectors are authorized to refuse entry to sugar from an area which has reached its import quota.

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CONSIDER SURPLUS CONTROL TO MAINTAIN PEANUT PRICES

Modifications in the present marketing agreement for the peanut milling industry, involving a surplus control plan for the 1934 crop, to assure minimum prices to growers at least as high as those now prevailing have been discussed by representatives of the Administration with the Peanut Agreement Control Board at Atlanta, and a special committee. It has been decided that no changes in the present minimum prices to growers would be made during the remainder of the 1933 crop marketing season.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 39

June 30, 1934

DRAFT REGULATIONS ON TOBACCO ACT

Tobacco growers whose production adjustment contracts have been accepted will be issued tax-payment warrants under the Kerr-Smith tobacco act without the necessity of making applications for the warrants, the Agricultural Adjustment Administration's tobacco section announced. The Act was signed by the President June 28. Because of the nearness of the opening of the markets, regulations for flue-cured are being worked out first. Regulations for other types to which the tobacco Act is applicable will be announced later. The Act places an ad valorem tax of 33 1/3 percent, unless the Secretary of Agriculture designates a lower rate which may not be less than 25 percent, on all tobacco produced this season by growers who have no allotments under the voluntary adjustment program except Maryland tobacco, Virginia sun-cured and cigar-leaf. The Secretary of Agriculture is expected to announce the tax rate determined upon within a few days. Tax-payment warrants will be issued by the Secretary of Agriculture covering tobacco grown by producers who have signed production adjustment contracts and by producers who receive allotments.

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MAY RELEASE IN 1935 SUGAR OVER QUOTA

Sugar shipments from the Philippine Islands, which do not come within the quota recently established for the 1934 calendar year and which are being placed in customs control or custody, may be released for marketing in the continental United States after January 1, 1935, as a part of the total 1935 quota for the Philippines, the Agricultural Adjustment Administration announced. The release of the surplus sugar after January 1, 1935, as part of the total Philippine quota for 1935, or release of such sugars in case of increased consumption or increase of quota, will make it possible for the entire 1933-34 crop of Philippine sugar to enter the United States for consumption either in 1934 or 1935. The Philippine quota of 1,015,000 tons established under the Jones-Costigan Act was exceeded by June 21, 1934. Other sugar producing areas have not yet exceeded their quotas.

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OVER ½ MILLION CATTLE BOUGHT IN DRY AREA

A total of 513,045 cattle had been purchased in seven drought-seared states of the west, at the close of business June 23, the Agricultural Adjustment Administration announced. Federal officials in the Northwest have received instructions to ship immediately 63,780 head of cattle into seven southern states, where they will be grazed for a time and then slaughtered and processed by the Federal Surplus Relief Corporation for distribution to needy families.

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FRUIT AND VEGETABLE CODE APPROVED

A code of fair competition for the wholesale fresh fruit and vegetable industry, affecting about 20,000 firms throughout the country, was signed by the President to become effective June 16. It prohibits destructive price-cutting, and sets standards of practice designed to protect growers, and to improve their returns.

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PROGRAM CONTRIBUTES TO HOG PRICE RISE

Hog prices at the seven principal livestock markets in the middlewest during the two-week period ending June 22 showed an average increase of $1 per hundredweight or 32 percent over the average price for hogs at these markets during the preceding two-week period. This is one of the largest percentage increases in price on record. The average price paid by packers for hogs at the seven markets - Chicago, St. Louis, Kansas City, Omaha, Sioux City, St. Joseph and St. Paul - during the period May 21 through June 8 was approximately $3.10 per hundredweight. During the two-week period ending June 22, the average price paid by packers at these markets was $4.10 per hundredweight or $1 per hundredweight higher. This rise, according to Agricultural Adjustment Administration officials, is the consequence of a marked slackening in receipts after rains which relieved drought conditions in many parts of the middlewest. The increasing strength in the hog market is partly a reflection of the improvement of approximately 20 percent in consumers' income over a year ago. Another major factor for the current rise has been the marked adjustment in market supplies. Some of this adjustment is a delayed reflection of the emergency pig and sow marketing program, conducted by the Administration last August and September, and of relief purchases made by the Federal Surplus Relief Corporation during the winter and spring months. The prospect for further adjustment in hog numbers under the 1934 corn-hog contract also is a factor tending to strengthen hog prices at this time. Administration officials point out that in addition to the returns from hogs at the open market price producers participating in the 1934 corn-hog program now are receiving in the form of benefit payments the processing tax portion of the amount paid by packers for hogs.

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CLING PEACH PACT TENTATIVELY APPROVED

A marketing agreement which will be effective for one year for the California cling peach canning industry, was tentatively approved by the Secretary of Agriculture and has been sent to canners for their signatures. It seeks to restrict tonnage that may be canned, a proportionate limitation will affect each grower. A survey of every orchard in California to determine the production of U. S. Grade No. 1 peaches is provided for. The ratio of the total production to the total tonnage that may be canned will be applied to each grower's production, as determined by the survey, giving each grower's deliverable tonnage. The agreement also provides for certificates to be given to growers showing their deliverable tonnage, and no canner will be allowed to receive or can any peaches not covered by a certificate.

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GUM TURPENTINE, ROSIN LICENSE AMENDED

Amendments to the license for processors of gum turpentine and gum rosin were approved by the Secretary of Agriculture and became effective June 28. Under the license as amended, no licensee is permitted either to ship or to market any package of cleaned gum, gum turpentine or gum rosin, or process any package of crude gum except into cleaned gum, gum turpentine, or gum rosin for marketing or shipping as such, unless appropriate tags issued by the control committee are attached to the package.

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CHICAGO MILK PRICE TO BE INCREASED

Prices to producers at country receiving stations in the 70-mile zone of the Chicago, Ill., milk sales area would be increased from $2.00 to $2.25 per 100 pounds or to 4.8 cents per quart under an amendment to the license now being drafted by the Agricultural Adjustment Administration, to become effective on July 1. Requests for the increase were made by the Pure Milk Association representing a majority of the milk production for Chicago. The increase granted to producers is to meet an emergency situation and is made contingent upon careful observance of the trends of production and consumption in the area. Special attention will be given to the effect of the increased price upon the competitive situation in respect to the prices quoted on the large manufactured milk markets adjacent to the Chicago metropolitan zone.

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MILK AGREEMENT HEARING AT PORTLAND

A proposed milk marketing agreement for the sales area of Portland, Me., will be considered at a public hearing to be held at the City Hall at Portland on July 19. The base and surplus market plan with an equalization pool is provided for in the tentative agreement, but no definite prices to producers are included; these will be developed at the hearing. The request for the agreement was made by the northern market district of the New England Milk Producers Association. The sales area includes Portland, South Portland, Westbrook and three contiguous towns. Distributors who handle milk for this market are also involved in milk distribution in cities located in New Hampshire and Massachusetts. The producers claim that the market is in a precarious condition and that prices paid farmers for milk may fall below Boston prices, while Boston distributors are buying milk in the production zone tributary to Portland.

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SPRINGFIELD MILK AGREEMENT HEARING

A public hearing on a proposed milk marketing agreement for Springfield, Mass., will be held by the Agricultural Adjustment Administration on July 16 at the Springfield auditorium. Groups of producers representing about 80 percent of the volume of milk supplied to this market who favor an agreement include the New England Milk Producers Association, the United Dairy System Inc. of Springfield, and the Windham County Cooperative Milk Producers Inc. of Brattleboro, Vt. About one-fifth of the milk supply for Springfield is said to originate outside of the State of Massachusetts, largely coming from Vermont. Springfield, Holyoke and eight contiguous towns comprise the sales area.

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BOSTON MILK DEALER HAS LICENSE REVOKED

Following citation and hearing on alleged violations of the existing Boston milk market license by E. M. Dwyer, Weymouth, Mass., the Secretary of Agriculture on June 25 revoked the license. The revocation is the first in the Boston milk market area. Violations charged against Dwyer include matters involved in both the former license for the Boston market and the existing license which became effective March 15. It is charged that under the former license he did not make the required reports or make the payments required for the equalization fund to the market director. Under the present license Dwyer is charged with buying milk from producers who did not authorize the payment of deductions to the market administrator for general market service, failure to make complete or correct statements, or make regular reports to the market administrator, and ignoring the established schedule of prices payable to producers under the license as well as required deductions payable to the administrator for market services.

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MILK PRICE
INCREASED

Producers of producers of country-receiving stations in the Chicago area of the Chicago, Ill., milk-shed area would be increased from $2.12 to $2.25 per cwt. under

4.9 cents per quart under an amendment to the license now being drafted Agricultural Adjustment Administration. An increase effective in for the increase were made by the Pure Milk Association representing majority of the milk producers for Chicago. The increase granted is sought to meet an emergency situation and is made contingent upon careful study of the trends of production and consumption in the area. Careful attention will be given to the effect of the increased price upon the consumption in relation to the prices quoted by the large manufactured milk plants adjacent to the Chicago metropolitan zone.

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AGREEMENT
FOR PORTLAND

A proposed milk marketing agreement for the sales area of Portland, Me., will be considered at a public hearing to be held at the ... in Portland, Me., on ... 19. The base and surplus market plan with an equalization pool is proposed in the tentative agreement, but no definite prices to producers have been set. They will be developed at the hearing. The request for the agreement was made by the Portland market division of the New England Milk Producers Association. The sales area includes Portland, South Portland, Westbrook and three other towns. Distributors who handle milk for this market are also interested in shipments to cities located in New Hampshire and Massachusetts. The producers state that the market is in a precarious condition and that present prices to farmers for milk may fall below Boston prices, while Boston distributors are buying milk in the production area tributary to Portland.

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SPRINGFIELD MILK
AGREEMENT HEARING

A public hearing of a proposed milk marketing agreement for Springfield, Mass., will be held by the Agricultural Adjustment Administration on July 10 in

Springfield auditorium. Groups of producers representing about 80 percent of the volume of milk supplied to this market who favor an agreement include the New England Milk Producers Association, the United Dairy System, Inc., of Springfield, and the Hampden County Cooperative Milk Producers Inc. of Springfield, Mass. About one-fifth of the milk supply for Springfield is said to come from ... but the rest largely from ... Chicopee, Holyoke and eight additional towns comprise the sales area.

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BOSTON MILK DEALER
LICENSE REVOKED

Following a hearing on alleged violations of the existing Boston milk market license by ... Rogers, Weymouth, Mass., the Secretary of Agriculture

June 25 revoked this license. The revocation is the first in the Boston milk market area. Violations charged against Rogers include matters involved in both the earlier license for the Boston market and the existing license which became effective March 15. It is charged that under the former license he did not make necessary reports or make the payments required for the equalization fund or market service. Under the present license Rogers is charged with having made the payments and did not authorize the payment of deductions to the market administrator for general market service. Failure to make complete or accurate reports or make regular reports to the market administrator, and ignoring the established schedule of prices payable to producers under the license, as well as the required deductions payable to the administrator for market service.

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BENEFIT PAYMENTS RAISE FARM INCOME

Nearly one-third of the income from production of wheat, corn, hogs, cotton and tobacco allotted under adjustment programs now being received, on the average, by 3 million contract signers who are cooperating in Agricultural Adjustment Administration programs, is derived from processing taxes. The true price received by farmers who cooperate in adjustment programs consists of two parts. These cooperating growers receive the market price when the crop or animal is sold, just the same as non-cooperating growers do. Then they receive an addition to the market price in the form of benefit payments when the proceeds from processing taxes are distributed among them. Benefit payments on allotted production amounted roughly to 43 percent of the market price the farmer received as of June 15. The benefit payments to cooperating farmers from processing taxes account for 30 percent of the total income (farm sales price plus benefit payments) such farmers received upon their allotments. Attainment of better balance in production, both through shorter yields because of weather conditions, and through smaller acreages, supplemented by changing valuation of the dollar, has resulted in improvement in the average sale price of farm commodities from 50 percent of parity in March 1933, to 77 percent of parity in June 1934, or 54 percent increase. Meanwhile, prices paid by farmers have increased at the lesser rate of 22 percent. Hence, the exchange value of all farm products increased 26 percent from March 1933, to June 1934, and for the seven basic commodities, including benefit payments, the increase is about 70 percent. The processing tax is the mechanism by which (1) adjustment in production is obtained and (2) agriculture collects a part of its income to supplement market price and to compensate farmers for their cooperation. The tax, paid to farmers as benefit payments, assures that the major part of the advantages of the program will go to the farmers joining to make it a success, and will not be diverted to those who refuse to cooperate.

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PROCESSING TAX LIKE PRICE RISE

Rental and benefit payments to producers cooperating in wheat, cotton, tobacco and corn-hog adjustment programs up to June 29 totalled $226,750,253.29, exclusive of payments on cotton options which totaled $50,585,060.03. The rental and benefit payments are derived from processing taxes collected at the point of processing or manufacturing. This means that the tax collections are heaviest in the large processing centers. It does not mean that the tax falls disproportionately on states where these processing plants are concentrated. The tax is not concentrated in that way, but is spread out as a factor in the price of the product and hence is shared by consumers generally. The tax has the same effect upon consumer price as would a rise in the price of raw material to the extent of the tax. About 19 percent of the total wheat processing tax has been collected in Minnesota. This does not reveal anything about the proportion of the wheat tax paid by Minnesota consumers. It means that Minneapolis is an important milling center, and therefore a corresponding share of the tax paid by all American consumers is collected through the mills there, and that is all it means. Because the cost of raw material produced by farmers ordinarily is a comparatively small factor in the consumer price of the finished product, the processing tax does not greatly influence the retail price. The proceeds are not retained by the Government, but go to the farmer. Except for the small proportion retained by the county associations for their local administrative costs, the tax behaves entirely as any other rise in farm price. The tax which adds but a small fraction to the retail price brings a large percentage increase in the farm price. The increase in the price of a loaf of bread attributable to the tax is only half a cent, while the cotton tax raises the price of a shirt a nickel, but the farmers' true price, including benefit payments, has more than doubled for cotton and has tripled for wheat.

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